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Daily Report

East Europe

FBIS-EEU-93-079
Tuesday
27 April 1993

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FRY Neighbors Not Ready To Enforce Sanctions

AU2604181893 Paris AFP in English 1752 GMT 26 Apr 93

[Text] Paris, April 26 (AFP)—Yugoslavia's neighbours were far from ready Monday to fully enforce United Nations sanctions against the Belgrade government, according to reports arriving here.

As the deadline for implementation of U.N. Security Council resolution 820 ticked away, there was even confusion among Western diplomats as to when the sanctions were due to be applied against the rump Yugoslavian federation.

In New York U.N. spokesman Joe Sills laid down that the embargo—which includes all trade, passage of freight, and the freezing of Serbia's and Montenegro's foreign assets—should be applied Tuesday 0400 GMT.

"Hungary is not yet in a position to apply the U.N. sanctions," its Foreign Ministry said in Budapest Monday.

A spokesman said that an interministerial committee would report to the government on the embargo on Thursday. The seizing of Yugoslav freight vehicles and foreign assets would require a change of Hungarian law.

Romania, which has a 550 kilometre-long (350 mile) border with Yugoslavia, said at the weekend that it would apply the sanctions "adapting them to Romania's specific situation."

It was clear Monday this meant that its border posts at Jimbolia, 140 kilometres (90 miles) north of Belgrade, and Moravita, 100 kilometres (65 miles) northeast of the city, would stay open for what Romanian Foreign Ministry spokeswoman Simona Miculescu called "merchandise traffic."

While Romania has already promised to apply existing U.N. sanctions on the Danube—where Serbian barges have often broken the previously-imposed embargo on oil—its means to do this were still questionable.

The Western European Union, the virtual defence arm of the European Community (E.C.), has given Romania and Bulgaria, on the other side of the Danube, some 12 patrol boats to enforce sanctions. But by Monday these were not yet in action.

In Sofia a government spokesman said Bulgaria was ready to apply the sanctions, but it would be asking for compensation.

Bulgarian Prime Minister Luben Berov told journalists that concrete action would be taken on the sanctions on Tuesday or Wednesday.

Bulgarian customs have already revealed that of the 2,046 rail wagons bound for Macedonia which have crossed the Serbian border in the past few months, only 96 arrived at their declared destination. False-declaration has obviously been an effective means of sanctions-evasion in the Balkans.

In Vienna the government said that Austrian customs would apply the sanctions as far as possible at border posts, but that it was having to draft new legislation to enforce the financial side of the embargo.

The new law, which will allow the banks to freeze Yugoslav accounts, should come into effect next week.

Even in E.C. states, the closest of which are Italy and Greece, diplomats admitted that governments were behind on the procedures to freeze Yugoslav assets.

A meeting of E.C. agricultural ministers in Luxembourg Monday was expected to pass the final directives required.

But in E.C. capitals there was a clear political determination to pursue the sanctions in order to force the Bosnian Serbs to sign the peace plan drawn up by mediators Cyrus Vance and Lord Owen.

"The obduracy of the Bosnian Serbs and those who support them," said the French Foreign Ministry, "has led the international community to assert its determination."

In London a foreign office spokesman said Britain was "determined that the Serbs should sign the plan. We are determined to keep piling on the pressure till they do."

And in Washington, White House spokeswoman Dee Dee Myers said the presidential decree applying the sanctions would go into force at 0401 GMT Tuesday.

President Bill Clinton, said Myers, "is going to press for further action in Bosnia."

"The Serbians have got to stop their aggression," Myers added.

China Against Sanctions, Military Force in Bosnia

LD2604142793 Belgrade TANJUG in English 1336 GMT 26 Apr 93

["Pool" item]

[Text] Beijing, April 26 (TANJUG)—"China cannot accept neither sanctions or military action," Chinese Foreign Ministry spokesman has told TANJUG commenting the latest events regarding the former Yugoslav Republic of Bosnia-Herzegovina.

"We do not want the situation to deteriorate further," he said and added that China remains consistent in its belief that the international community should make efforts to resolve the conflicts in Bosnia in peaceful way through negotiations between the warring sides.

He said that China "sincerely hopes that the warring sides in Bosnia will halt all hostilities and that, in the interests of all nations, they will strive to enforce the programs for a political solution to the conflict which will be acceptable to all."

The Bosnian Serb Parliament early on Monday morning rejected the Vance-Owen plan, but the final decision will be made at a referendum scheduled for May 15 and 16.

The Bosnian Serb deputies thus rejected an appeal sent during Sunday night by the Presidents of Yugoslavia, Serbia and Montenegro—Dobrica Cosic, Slobodan Milosevic and Momir Bulatovic respectively.

Hungary's Kadar Urges Opening Western Markets

LD2504182393 Budapest MTI in English 1718 GMT 25 Apr 93

[Text] Tokyo, April 25 (MTI)—Hungarian Minister of International Economic Relations Bela Kadar on Sunday called for the opening of Western markets, in his contribution to the east-west conference in progress in Tokyo.

Kadar stressed the central and eastern European countries need trade and foreign investments, rather than aid. The most suitable method of support could be to provide technical and professional assistance.

The minister also called the attention of participants to the fact that identical reform solutions cannot be recommended to all countries, in view of the differences existing between them. He noted that 90 per cent of imports have already been liberalised in Hungary, several hundreds of thousands of companies have been set up as a result of decentralisation and privatisation, and a considerable proportion of the GDP [gross domestic product] today originates from the private sector.

The results achieved by Hungary were also mentioned by U.S. Secretary of Commerce Ronald Brown, who made the remarks while discussing the activity of American investors in Hungary.

Japanese Bank To Assume Loan to Hungary

LD2504192593 Budapest MTI in English 1853 GMT 25 Apr 93

[Text] London, April 25 (MTI)—The Japanese Eximbank is to assume DM [Deutsche marks] 85 million from the DM 185 million loan approved by the European Bank for Reconstruction and Development (EBRD) in 1991 for the Hungarian telecommunications company Matav, with far better conditions than those of the EBRD.

The above was agreed in the course of talks between Hungarian Minister of Finance Ivan Szabo and officials of the EBRD and Eximbank, in London on Sunday.

The loan is to be utilised in Matav's village programme, aimed at developing telecommunications in the provinces. Szabo, the Hungarian member of the EBRD's board of governors, arrived in London to attend the bank's general assembly, to open on Monday.

The Hungarian minister of finance also met with EBRD President Jacques Attali.

Speaking to journalists, Szabo said the matter of the EBRD loan for the Budapest-Vienna motorway is to gain momentum, and will be submitted to the EBRD board of directors at the end of May or in early June. Work could begin, with Hungarian capital, in August, as there will be guarantees for the EBRD loan.

"Preparations of the EBRD's loan for developing Budapest's mass transportation system will also gain momentum, as I informed the bank that the Hungarian Government will provide the requested credit guarantee," Szabo said.

The EBRD's interest conditions will deteriorate by a few tenth per cents for Hungary, as the bank has so far been partial towards Hungary and Poland. From now on, it will switch to a unified system of interest conditions.

Szabo also held talks with Slovak Minister of Finance Julius Toth, Czech Minister of Finance Ivan Kocarnik, and with Mexican Foreign Minister Fernando Solana.

G-24 Conference Opens in Tirana

AU2204094193 Tirana ATA in English 0815 GMT 22 Apr 93

[Text] Tirana, April 22 (ATA)—The conference of G-24 devoted to the Albanian health service, started in Tirana on April 21. This conference is organized by the Ministry of Health and the G-24 group. This group, the European Community and the World Bank confirmed the aid they are going to give to Albania.

The European Community will provide Albania with 5-6 million ECU, Ms. Boguan declared on behalf of the European Committee and G-24 group. Speaking on behalf of the World Bank, Mrs. Thereza Ho said that the world bank will provide Albania with 7-10 million dollars to implement the five year plan on health.

Mr. Jean Nicola Marshal, UNDP representative in Albania, said that UNDP works to obtain resources from different international organizations in order to improve the health service in Albania. Tritan Shehu, minister of health, presented an overview of the health policy. An important principle of health service will be the inclusion of free market elements in this service, he said. This new policy provides opportunities to the population to enjoy preventive service and the most part of curative one at prices they can cope with.

Pjeter Arbnori, speaker of the parliament, greeted the conference. He appreciated this conference and considered it very important for the reorganization of health service in Albania. The conference continues.

EC Votes for Tighter Sanctions on Yugoslavia

AU2704112393 Paris AFP in English 1027 GMT 27 Apr 93

[Text] Luxemburg, April 27 (AFP)—The European Community has voted in favor of tightened sanctions against the rump Yugoslavia as called for in U.N. Security Council resolution 820, official sources said Tuesday.

The legal texts on the matter were adopted Monday by agriculture ministers representing the 12 E.C. countries. Any important E.C. decisions, whatever their nature, must be adopted by member ministers.

"The measures adopted are aimed at preventing any violations of the embargo against the Federal Yugoslav Republic (Serbia and Montenegro,) especially as it concerns activities between that republic and areas controlled by the Serbs in Bosnia-Herzegovina and zones in Croatia under U.N. protection," according to a press release issued by the ministers.

The tightened sanctions adopted by the E.C. call for member countries to seize any Yugoslav vehicles or other means of transportation suspected of violating the embargo.

U.N. Resolution 820 went into effect at 0400 GMT Tuesday after Bosnian Serbs rejected a peace plan proposed by mediators Lord Owen of the E.C., and Cyrus Vance of the United Nations.

Czech Finance Minister Criticizes EBRD

LD2504204193 Prague CTK in English 2015 GMT 25 Apr 93

[Text] London April 25 (CTK correspondent)—The role of the European Bank for Reconstruction and Development (EBRD) in transferring financial resources into the Czech Republic from abroad has been almost meaningless, Czech Minister of Finance Ivan Kocarnik said in an interview with CTK today.

Kocarnik, in London for the EBRD's annual meeting this week, said that the EBRD was responsible for only about five per cent of foreign investment in the Czech Republic last year. While total investment amounted to approximately one billion USD, the EBRD brought in only 50 million USD, he said.

Kocarnik noted, however, that the EBRD has approved several loans which have not yet been drawn by recipients in the Czech Republic, including one for 200 million DM [Deutsche marks] to the Skoda-Volkswagen joint venture. In addition, bank officials agreed last week to provide a loan of 70 million ecu to modernise the Czech telecommunications system.

The EBRD should lend more support to the private sector, Kocarnik said, adding that long-term loans would be of the most help to Czech firms.

Earlier today, Kocarnik told British businessmen that access to Western markets is more important for the Czech Republic than massive financial aid.

At a press conference today, EBRD Vice-President Ron Freeman said that it was remarkable that the privatisation process in the Czech Republic had continued despite difficulties brought on by the division of the Czechoslovak Federation (at the end of 1992).

The EBRD was established in 1991 to help former communist bloc countries transform their central planning systems into market economies.

Hungarian Minister Addresses EBRD Session

LD2604183093 Budapest MTI in English 1758 GMT 26 Apr 93

[Text] London April 26 (MTI)—The European Bank for Reconstruction and Development (EBRD) should concentrate its efforts on developing the private sector, infrastructure, education, and training in the eastern and central European countries, Hungarian Finance Minister Ivan Szabo said in his address to the EBRD General Assembly in London today.

Szabo appreciated the bank's special restructuring scheme, under which the EBRD would join holdings that would take over uncreditworthy but promising eastern firms not privatizable in their current condition. The holdings would then consolidate the finances of these companies and sell them at a later date.

The minister pressed for preferential loans and more active EBRD involvement in training eastern entrepreneurs and bankers.

Addressing the EBRD session as host, British Prime Minister John Major pressed for freer east-west trade, saying the European Community could be more generous since Hungarian, Czech, Slovak, and Polish exports total a mere 2 per cent of EC imports, but half of all the exports of these central European states.

Romanian Minister Addresses Session

AU2704100893 Bucharest ROMPRES in English 0635 GMT 27 Apr 93

[Text] Bucharest ROMPRES 27/4/1993—Florin Georgescu, Romania's minister of finance and EBRD [European Bank for Reconstruction and Development] governor for Romania, made an address at the opening of the EBRD annual session to express satisfaction at the success of the bank in its second year of activity, when it paid more attention to the private sector. He showed that Romania continued to be a factor of stability in a troubled area, that it was resolute to observe international sanctions but that it should like to have more guarantees for its security, adequate economic compensations and inflow of capital from the international community.

The Romanian minister of finance mentioned that Romania had made important progress on the road to the market economy, especially by having introduced a legal and institutional framework suiting this purpose, having privatised agriculture, improving the financial and banking system and by measures of social protection.

Florin Georgescu said that the government programme for 1993- 1996, recently endorsed by Romania's Parliament, was intended to speed up privatisation and the restructuring of state enterprises by removing subsidies starting May 1 and by introducing the value-added tax on July 1, simultaneously with measures to ease recession.

EBRD Predicts Hard Economic Future for Slovakia

AU2704130993 Prague CTK in English 1442 GMT 24 Apr 93

[Text] London April 24 (CTK)—The Slovak economy is facing a much harder future than the Czech one, states a report of the European Bank for Reconstruction and Development (EBRD) released here today.

The document states that Slovakia is in a much more serious position (than the Czech Republic). It is more inclined to be harmed by external influences because it depends on trade to a great extent. Slovakia's exports amount to 60 percent of its annual gross national product (GNP) while the Czech Republic exports less than half of its GNP, and less than one third of it goes to Slovakia, says the EBRD quarterly report.

The two countries' economic prospects depend decisively on the development of mutual trade relations, the document notes.

These relations will considerably depend on Slovakia's ability to strengthen its balance of payments and hold off inflation, states the EBRD report.

It stresses that the Slovak Government's immediate priority should be to draft a trustworthy stabilisation programme in order to support balance of payments.

If the government insists on keeping parity with the Czech crown, adaptation in fiscal and monetary policies will be much tougher, notes the EBRD, which was established in April 1991 to help the new East European democracies in their transition from central planning to market economy.

The report states that the recent devaluation of the Slovak crown against the clearing ECU [European Currency Unit], on the basis of which the two countries are conducting mutual trade, and the Czech revaluation against the ECU has resulted in a de facto devaluation of the Slovak crown against the Czech crown by several percent.

Czech, Slovak Republics Sign Agreements With EFTA

LD1904211893 Prague CTK in English 2042 GMT 19 Apr 93

[Text] Geneva April 19 (CTK)—The Czech Republic and Slovakia signed independent agreements on cooperation with the European Free Trade Association (EFTA) in Geneva today.

The two republics assumed the rights and obligations contained in the agreement which was concluded between EFTA and Czechoslovakia in 1992. Representatives of the Czech and Slovak Republics will meet with EFTA April 23 and 24 to discuss future cooperation.

The two new agreements, like the 1992 agreement, have an asymmetrical character which favours the Czech Republic and Slovakia. The agreements set conditions for commerce in industrial and agricultural products and fish.

According to preliminary estimates, trade turnover between the Czech Republic and EFTA member countries amounted to over two million USD in 1992, 70 per cent of which was conducted with Austria, the Czech Republic's largest trading partner among EFTA countries.

EFTA member countries are Austria, Switzerland, Sweden, Finland, Norway, Iceland and Lichtenstein.

EC Commissioner Comments on 'Meat War'

AU2304141193 Sofia ZEMEDELSKO ZNAME in Bulgarian 20 Apr 93 pp 1, 6

[Interview with EC Commissioner Hans van den Broek by Todor Rotermel; place and date not given: "EC Hopes To Lift Ban on Meat Imports From Eastern Europe Soon"]

[Text] [Rotermel] What do you think will be the outcome of the small "meat war" that has broken out between the EC and the countries of Central and Eastern Europe as a result of the ban on cattle and meat imports from these countries? Can one speak about economic protectionism on the EC's part?

[Van den Broek] I do not think that one can speak about any kind of trade war in connection with the ban on importing cattle and meat. We can talk about consequences arising from the spread of foot-and-mouth disease—the most virulent and dangerous disease that affects cattle. We are sure that this is a temporary protective measure. I hope that all the European countries will work together to detect the source of the infection so that the ban can be lifted as soon as possible. I want to stress that this has nothing to do with economic protectionism; if you want to describe it more precisely, it is rather health protectionism.

I hope that this measure, which the EC imposed until 10 May, can be repealed earlier. We will make every effort in this direction. I am convinced that our partners in Central and Eastern Europe will do the same thing on their side.

[Rotermel] The EC summit meeting held in Edinburgh last December was supposed to consider the question of admitting the countries of the Visegrad group [Czech Republic, Slovakia, Hungary, Poland]. Is it expected that the forthcoming summit in Copenhagen will finally get down to considering the admission of the former socialist countries into the EC?

[Van den Broek] In Copenhagen we will discuss our interrelations with the countries of Central and Eastern Europe and consider how we might speed up the application of the agreements signed with them on political and economic integration. The EC Commission has made specific proposals in this connection to the Council of Foreign Ministers. We also hope to achieve good results in this respect in the Council of Europe.

The visit by the EC delegation to your country had a similar aim. We are striving to encourage your government to continue its efforts to create a market economy in Bulgaria. Until the EC Association Treaty comes into force, an interim agreement will operate that guarantees the establishment of more liberal trading conditions between Bulgaria and the EC by the middle of this year. We are sure that the opening of the EC representation in Sofia will greatly help in improving bilateral relations.

Data on Destruction of Serbian Orthodox Churches

93BA0901C Banja Luka GLAS SRPSKI in Serbo-Croatian 8 Mar 93 p 4

[Article by TANJUG: "History Is Repeating Itself"]

[Text] Belgrade, 7 Mar—"History is repeating itself" even in many examples in the former Yugoslav republics—Croatia and Bosnia and Herzegovina, where a kind of cultural genocide is being carried out against Orthodox temples, especially in places where this was also done during World War II.

According to figures of the Serbian Orthodox Church, which the State Commission for War Crimes and the Crimes of Genocide has delivered in a Memorandum on "Cultural Cleansing" to UN General Secretary Butrus-Ghali, in the conflicts of war since 1991 a total of 385 Orthodox shrines and other facilities have been destroyed or damaged.

Most of those shrines were away from war operations, and many of them had already experienced the same fate half a century ago.

For example, the Good Friday Cemetery Church in Sisak, which the Ustashi torched in 1941, was damaged by an explosive on the night between 14 and 15 July 1991.

Testimony on Ustashi crimes in World War II. The Memorial Chapel to Latter-Day Serbian Martyrs at Prebilovci, where the bones of Serbian victims were thrown into a pit, was demolished by explosives in 1992.

The Church of the Shroud of the Holy Virgin in Bosanski Brod, which in the period between 1941 and 1945 was partially damaged by artillery bombardment, was demolished last year although outside the zone of war operations.

The Churches of the Assumption of the Holy Virgin in Modrica, Jajce, and Drnis, which were also destroyed in both wars, had no better fate.

In the Church of St. George in Gospic, the Ustashi killed a large number of Serbs during World War II. On the site of that shrine, which the Ustashi demolished at the time, a new one was built, but that one was also demolished in 1991.

Saint Spiridon Temple in Petrinja was destroyed for the first time in 1941 and the second time half a century later. Both times to the foundations.

Zadar's Saint Ilija Church, dating from the 16th century, already desecrated once in the last war, was demolished and robbed last year.

The destruction of the Saint Dimitrije Cathedral in Dalj was in 1941 supervised by the Roman Catholic priest Josip Astalos. According to a report from 1991, the temple has now been riddled with machine gun bullets.

The Chapel of the Assumption of the Holy Virgin, which was built on the same site in 1759 by Metropolitan Pavle Nenadovic, and whose iconostasis was painted by the leading Serbian baroque painters Vasilije Ostojic and Dimitrije Bacevic, was the first church of the Osjecko Polje Episcopate, which was destroyed in the Independent State of Croatia.

It awaits a similar fate even now. The Croatian MUP [Ministry of Internal Affairs] in 1991 mined the approach to the chapel, which has been so shaken by bomb blasts that it will soon collapse.

In the Holy Trinity Church in Nova Gradiska, a fire was set on 7 July 1941, and it went out by itself. The Ustashi proclaimed the shrine unusable and brought Serbian prisoners from the camp in Stara Gradiska to demolish it. The new church was built in 1982, but nine years later the local Ustashi demolished it.

All of these and other examples have been recorded by the relevant parish priests and bishops and written reports have been submitted to the Holy Archiepiscopal Synod of the Serbian Orthodox Church.

RFE, French 'Objective' Broadcast Plans Attacked

93BA0894A Zagreb DANAS in Serbo-Croatian 2 Apr 93 p 27

[Article by Marko Barisic: "Media Assault Upon the Balkans"]

[Text] On 24 March REUTER published, and HINA [Croatian Information-News Agency] carried, a news item entitled "American Radio Wants To Cover Balkan Battlefields." We will quote the text: "For more than a year, the radio station financed by the U.S. Government has been considering broadcasting for the area of the Balkan battlefield, and it could start a program in a few months, stated William Marsh, vice president of RFE/RL [Radio Free Europe/Radio Liberty]. Marsh added that the planned reduction in that radio station's budget could be alleviated after RFE/RL expands its programs for Croatia, Serbia, and Albania.

"'People in the former Yugoslavia are not informed about what is being said in the world about events in their countries,' Marsh said at the RFE/RL headquarters in Munich. 'They are seriously disinformed about events in their countries.'

"Emphasizing that both Serbia and Croatia were equally to blame for that situation, he added, 'We are faced with dictatorships that have really fettered the spread of information.'"

According to the same source, because of the additional task Radio Free Europe will employ another 11 permanent employees in Munich and 15-25 freelance journalists in the area of the former Yugoslavia, in order to prepare two and a half hours of programming daily. The budget would be increased by $1.2 million; it is now $220 million, and 1,524 people are employed at the radio station. It broadcasts in 23 languages.

At the same time, as announced by AFP and carried by HINA, as early as Thursday a "radio ship" of French origin, otherwise intended for polar oceanographic research, will sail into the Adriatic with the intention of offering "objective and pluralist" information to the inhabitants of the former Yugoslavia in the hope that in this way it will fight against "disinformation as a weapon of war." It is claimed that the ship will broadcast 24 hours a day "in Serbian and Croatian," seven permanently employed journalists will work on it (Serbian, Croatian, Slovene, and Bosnian), it will be located in international waters near the Italian port of Bari, and with a 50 kW transmitter, it will cover "Serbia, Montenegro, Dalmatia, and Bosnia."

The association France-Freedoms, which is chaired by Mrs. Danielle Mitterrand, Federico Major, and Tadeusz Mazowiecki, has already approved a million ECU in financial support for it. Thus, after the disappearance of Yutel, domestic Yugo-nostalgics will soon come into their own again. To start with, the announcements equated the guilt: "Croatia and Serbia are equally to blame," and in both countries "we are faced with dictatorships." The French are going a step further, and so they mention Dalmatia (but not Croatia) as a state together with Serbia and Bosnia. It is as if they used the old Yugotours guide, which always mentioned Istria and Dalmatia in particular, but never Croatia. The language in use will be "Serbian and Croatian" (where is Bosnian?, Semso Tankovic will ask), and Serbian, Croatian, and Bosnian journalists will work together, probably in editorial offices of "fraternity and unity" (it does not say what criterion will be used to determine the journalists from Bosnia). It will be idyllic, the news will be humming that "everyone is equally guilty," an attempt will be made to erase the difference between the aggressor and the victim, and ultimately, with national music like "you went, you didn't try the sarma" an attempt will be made to create a new, third Yugoslavia, as Montenegrin Foreign Minister Miodrag Lekic recently announced in Paris. With the same ideology and probably with the same people who two years ago wisely and stubbornly prepared the Croats and Muslims for slaughter, it will be necessary to forget both Vukovar and Srebrenica, Sarajevo, Skabmja, and other places of execution for the innocent people. The new-old Yugoslav-oriented people will rise and deliver sermons to the people, trying to legitimize the Serbian conquests and aggression.

Even the media unification of the Yugoslav area would mean that war criminals should not be brought to trial, that war damages should not be sought from the aggressor, and that ultimately the status quo should be maintained. The real relationships involved are also shown by the fact that Croatian radio and TV stations cannot be heard in Serbia, while programs from the identical Serbian media can be followed in Croatia with room antennas.

We maintain that freedom of information consists of allowing an interested party to hear all the relevant facts from different sources of information, so that he can reach his own conclusions on the real truth. Just as there is no French-German supranational station, we do not need a Croatian-Serbian one either, wrapped in supranational Yugoslav clothing with a European pedigree. This latest attempt is only an indication that foreign countries have not yet understood that before the establishment of Yugoslavia Croats and Serbs were never in a conflict, which means that any new attempt at reintegration of that entity, even a media attempt, actually means prolonging the conflict. The radio-Yugoslavs obviously do not want peace.

Government Recognizes Macedonia

AU2604160893 Tirana Radio Tirana Network in Albanian 1330 GMT 26 Apr 93

[Text] Today the Government of the Republic of Albania officially recognized the former Yugoslav Republic of Macedonia. A special statement distributed on this occasion states that the Government of the Republic of Albania recognizes the former Yugoslav Republic of Macedonia as a fully-fledged member of the United Nations and as an independent and sovereign state. Assessing this to be an important event for the peoples of this state and a positive step toward guaranteeing the stability of this country, the Albanian Government solemnly reiterates its commitment to respect the sovereignty, independence, and territorial integrity of this state with its existing borders.

The Government of Albania expresses its conviction that the recognition of the former Yugoslav Republic of Macedonia will further encourage the development of relations between our two countries and will contribute to creating an atmosphere of good will and stability in the region. It will also create the appropriate conditions for treating and resolving problems on the position of the Albanian people in this republic. On the other hand, it is confident that this will serve the spirit of understanding with the Albanian people that live in this republic and will encourage the dialogue that was initiated at the international conference on the former Yugoslavia in order to peacefully solve problems including those concerning their constitutional status.

Recognizing the former Yugoslav Republic of Macedonia, the Government of the Republic of Albania remains committed to its efforts to defend the national and human rights of Albanians living in this state. The accomplishment of all these rights in conformity with the standards enshrined in international documents will be the main criterion for determining the attitude of the Albanian Government to bilateral relations and its position in the CSCE and other international forums concerning the former Yugoslav Republic of Macedonia.

Berisha Interviewed After Returning From Turkey

AU2404183893 Tirana ATA in English 0828 GMT 24 Apr 93

[ATA report: "President Berisha Values the Spirit of Understanding Among Countries Interested in Democracy"—Interview With the President of the Republic of Albania Sali Berisha on Albanian TV]

[Text] Tirana, April 24 (ATA)—In his interview with the Albanian TV after his return from Turkey where he bid the last farewell to the Turkish President Turgut Ozal, the President of the Republic Sali Berisha said among other things:

"I joined the friendly and fraternal Turkish people at the moment when they lost the President Turgut Ozal, one of the most outstanding politicians of democratic Turkey, the man who, with a great courage and determination, rendered a great contribution to the development of democratic reforms in Turkey and Turkey's integration into Europe.

President Ozal was an outstanding figure and Albania found in him a great friend. He worked for peace, stability in the region, and faithfully accomplished all his obligations during the Gulf war period in which Turkey played a significant role and with the same devotion he worked to solve the Balkan crisis. His death was certainly a great loss not only for Turkey, but also for its friends.

During my stay in Ankara, I availed myself of the occasion to conduct a series of meetings. I had a separate meeting with the President of Germany Weizsaecker, with whom we discussed relations between Germany and Albania. I presented to the German president our opinion that the Seventh Group, which undertook an historic decision in rendering a great assistance to Russia, which serves the stability in Europe and the world, should also apply this decision in other East European countries. Although these East European countries have not the political weight of Russia, they have their own important weight as regards their position and without an economic development, they will find it difficult to maintain political stability, which is precious not only for them but for the neighbours and region as well.

I also discussed with the German president the valuable aid Germany has been providing and will provide for Albania through international institutions. I thanked him for that.

Meanwhile we also discussed the intensification of cooperation in different areas, a possible visit in Albania in the future, and the problem of the Albanian emigrants, who are evicted from some German lands. I know that this is a big issue for Germany. But I would ask the local governments of this country to realize that the Albanian emigrants come back home under more difficult conditions than those of the other countries.

The crisis in the Balkans was a major issue in this meeting. The German president and government appreciate the important role that Albania and the Albanians play under such moments to prevent the conflict and preserve peace and stability in those areas which are not involved in the conflict.

At the meeting with Spadolini, chairman of the Italian Senate, we discussed the relations between Albania and Italy, the problems of bilateral and multilateral aid that Italy has given and is giving to Albania and I told him I was thankful for this. We also discussed the crisis in the region, the serious threat of this crisis to the development of democracy in Albania, the stability and peace throughout the Balkans.

At the separate meeting with the Irish President Mrs. Mary Robinson, we discussed the establishment of diplomatic relations. I thanked her for the aid Ireland gave to Albania via EC. We also expressed our readiness to develop and promote the relations between our two countries to make for the lost time.

During the stay in Ankara, I also met with the Greek Premier Mr. Mitsotakis. We discussed at length the relations between our two countries. This meeting was frank and sincere. We treated all the topics beginning with the economic cooperation down to the problems of minority, Cams. He was pleased with the overview I presented in regard to the minority, their political representation, the guarantee of Albania to be a modern country in treating the minorities.

Naturally our views in regard to the crisis in the region and some regional problems are different from those of Greece. But we both were determined that they should not hinder the solution of problems and the development of cooperation between our two countries. The problem of refugees occupied a special place in our discussion. In this regard Mitsotakis persisted in signing an agreement between the two governments to control this process and in my opinion he is right. At this meeting I raised the question of opening the border points as we agreed upon at the previous meeting. Premier Mitsotakis was ready to open a point and adopt measures for the other border point to open.

At the special meeting with the U.S. delegation headed by James Baker, we discussed that the countries of the Group of the Seven must concern with the other eastern countries. The meeting was also attended by Christo Wohten, under secretary of the State Department [name and title as received]. The initiative of President Clinton to help Russia is of historic importance, because it contributes to the strategy of peace and stability in Europe and the world. This initiative is a great encouragement not only to the reforms and reformers in Russia but also to the other governments and countries that have taken the road of democracy. Special importance at this meeting was devoted to the relations of Albania with the U.S.A. We supported the U.S. commitment to settle the crisis in the region. The U.S. commitment is exceedingly practical and vital to settle this crisis and prevent the Balkan conflict. This conflict would be destructive to the Balkans and very dangerous to Europe.

Over the stay in Ankara, I had a separate meeting with the Turkish Premier Demirel. After expressing the condolences on the death of the outstanding politician Turgut Ozal, we discussed the relations between the two countries and the possible extension of cooperation particularly in regard to financial credit. Mr. Demirel has undertaken to settle this problem. During this meeting he expressed the readiness of the Turkish Government to help the Albanian economy recover and to carry the cooperation in our fields of common interest and to the benefit of the Balkan countries. The Turkish Premier Demirel assured me that Turkey will continue to help Albania and intensify cooperation in the future.

At the meeting with the prince Sa'ud al-Faysal Al Sa'ud, foreign minister of Saudi Arabia, we talked about the intensification of relations between the two countries. Prince Faysal expressed his desire to visit Albania. This visit will mark the beginning of economic cooperation between Albania and Saudi Arabia, which is ready to help Albania in the future. He expressed his great worry over the crisis in the region. He said that [word indistinct] countries are determined to settle this crisis via political ways.

Over the stay in Ankara I also met with senior political personalities.

Ruli Views Government's Commitment to Reform

AU2404192893 Tirana Radio Tirana Network in Albanian 1330 GMT 24 Apr 93

[Arben Karapici report]

[Text] For the Albanian finance minister, the first 10 months are sufficient enough to say that reform is on a positive course. Speaking in front of correspondents at today's news conference, Mr. Ruli said that the reform consists of a strong remedy needed to combat the crisis. The finance minister attributes the most evident results of this therapy by first mentioning the reduction of the state deficit and the decrease of inflation, with the aim of keeping inflation at a level of 45 percent throughout the year.

Referring to the extremely difficult situation under which the reform started, Mr. Ruli stressed that we have passed the first test. A reduction in the state deficit has been achieved. We are also exerting more control over bank credit and have liberalized the foreign currency exchange rate with our lek. The finance minister expressed that this was the best solution under the conditions of superinflation.

Ruli considers the monetary policy to be positive. Considering the stabilization of the economy, Mr. Ruli said that this is not the government's final goal. The goals are broader and much more ambitious so that assistance is focused on development projects and not just on food.

Before departing for London, where he will participate in the annual meeting of bank governors, the Albanian finance minister spoke about the government's serious commitment to reform. Ruli stressed that this commitment will be more persistent in the future, without hiding his pleasure that other political forces are also supporting this course. He also mentioned the pronouncement of Mr. Shkelqim Cani, who has spoken favorably on the question of reform in today's ZERI I POPULLIT.

State Budget Increases Through Levies

AU2304154593 Tirana ATA in English 1048 GMT 23 Apr 93

[Text] Tirana, April 23 (ATA)—Over one billion and 100 million leks have been accumulated in the state budget so far by the payment of levies in the district of Tirana, testifying that capitalism is flourishing in Albania. Important is the fact that this is half of all the quantity of the incomes of this district for the past year.

The state has created all the conditions for free private activities. Actually, there are over 11,830 physical and juridical persons who exert activities in various fields of production, business, trade, transport, and other services to the people. Out of them, 1,635 are local firms, [number indistinct] are joint firms, and 380 are foreign firms, such as Italian, Greek, Turkish, and others. During March, 645 physical persons have exerted various private professions.

On this occasion, specialists stress that the realisation of the budget for Tirana is a good signal for the starting of the free market economy in Albania.

Finance Minister Views Economic Reform

LD2504173693 Tirana ATA in English 1040 GMT 25 Apr 93

[Text] Tirana, April 24 (ATA)—Genc Ruli, Albanian minister of finance and economy, held a press conference for the reporters regarding the economic reform. To launch this reform the foreign support, particularly from the European Community and the G-24 was necessary. But to ensure this aid it was indispensable that the Albanians themselves set concrete proofs of restructuring and reactivation of the economy.

Since the very beginning, our economic program was difficult, Mr. Ruli underlined. Albania was a special case in economy compared to all the other eastern European countries. [Word indistinct] context different donors provide us with economic facilities and aid. Our economic program is not a standard theoretical program. First it covers economic stability, profound structural changes to the economic system, improvement of tax and control system on bank credit, liberalization of the exchange rate, etc.

Dealing with the results of the reform, Minister Ruli mentioned some parameters which show that a perceptible step was taken in this regard. As opposed to the beginning of the reform, inflation reduced from 46 per cent in August to 11 per cent in September, later to 8 per cent and by the end of the year 1.3 per cent. The budget deficit perceptibly reduced. The state bank finances for the budget reduced from 16 to 12 per cent.

Assembly Approves Compensation Bill

AU2204144193 Tirana ATA in English 1015 GMT 22 Apr 93

[Text] Tirana, April 22 (ATA)—On April 21, after several days of consultations and debates in parliamentary groups the People's Assembly examined in plenary sitting the draft-law on the compensation of the ex-proprietors of the agricultural lands and approved it in principle by a majority of votes.

The representatives of the parliamentary groups charged with the task of defending the draft-law, respectively H. Halili of the Democratic Party, I. Baci of the Socialist Party, and H. Aliko of the Social Democratic Party, who considered the draft-law as the most important one approved by this parliament, after that of the fundamental human rights and freedoms. They said that the communist state expropriated not only the ex-proprietors, but with the collectivisation of agriculture it expropriated the whole peasantry, stripped it of everything and destroyed the whole agriculture. The approval of this law, they said, will accelerate the process of land distribution and the economic reform.

But the only deputy of the Republican Party, Mr. Celiku, did not share this opinion. On behalf of the party he represents, he demanded the return of properties to the ex-proprietors and not their compensation.

In the afternoon sitting, the People's Assembly examined article by article the draft-law on the compensation in value of the ex-proprietors of the agricultural lands. According to this draft-law, the right to compensation in value is recognised to the ex-proprietors, physical and juridical persons who have owned it until the Law No. 108, dated August 29, 1945 was issued. The remarks by the Commission of Laws and that of Agriculture were attached to it.

The draft-law was approved article by article and then in its entirety by a majority of votes.

The People's Assembly will continue proceedings today afternoon.

Kosovo's Rugova Arrives for Visit by Pope

AU2704072293 Tirana ATA in English 1032 GMT 26 Apr 93

[Text] Tirana, April 26 (ATA)—On occasion of the visit of the Pope John Paul II in Albania, Dr. Rugova, president of the Republic of Kosova, arrived in Tirana on April 24 to attend the ceremonies to welcome his holiness.

Together with President Rugova were as also Prof. Anton Ceta and Anton Kolaj, deputy chairmen of the Democratic League of Kosova.

ATA Sheds Light on Italian Aid Scandal

AU2304154493 Tirana ATA in English 1043 GMT 23 Apr 93

["Profound Corruption of the Socialist Leaders—Ex-President Alia and the Former Chairman of the Council of Ministers Are in Home Arrest. What Will Happen With the Socialist Nano? Italian Aid Stolen. Who Is Responsible for the 13 Million Dollars Lost?"—ATA headline]

[Text] Tirana, April 23 (ATA)—Jerina Zaloshnja writes: Recently, the Albanian State Control, referring to an article in the Italian weekly PANORAMA, examined the speculations made with the Italian aid in 1991, when Carcani and Nano (actually leader of the Socialist Party) have been premiers of the Albanian Government.

On February 14, 1991, the former Minister of Foreign Trade Shane Korbeci presented to the ex-Premier Carcani the list of the food articles the people needed. The then Foreign Minister Malile told the Italian foreign minister that the Albanian Government has chosen the firm "Levante Co." for the supply of this aid and Illyria Holding firm, represented by Hajdin Sejdia for its distribution. This comes out of the documents. But who charged the suspicious firm "Levante Co." to give the aid and moreover who named the trafficker Hajdin Sejdia as intermediary?

According to the latest observations, it comes out that the administrator of the firm "Levante Co." is G. Perniola, close friend of the socialist leader Nano and the son of the former president Alia. The first contingent of the aid are to the tune of 10 billion liras.

According to the documents, the former Premier Nano changed the list of the Minister of Foreign Trade Korbeci, adding in it 200 tons of fruit juice, marmalade, etc., (second hand important products), at a time when the Albanian people were hungry for the basic food articles.

The most possible hypothesis now is that "Levante" has administered only the goods defined before hand through which and by the help of the son of the former president and other relations the government of Tirana was supplied. Moreover, it is a surprise that this firm itself suggested the goods to be sent to "the Albanian people" through the known trafficker Hajdin Sejdia. Still according to documents, one cannot say that any member of the former government staff had raised his voice against it. For instance, the former Minister Korbeci has sent a notice to the former Deputy Premier Cani, asking him that not the firm Holding but the respective state enterprises should deal with the coordination and distribution of the aid. But the answer by phone of the former Deputy Premier Cani was: "It is not up to you to deal with these matters."

But why you shouldn't involve in this? Because corruption goes farther: 100 million liras aid was invoiced to verify goods and 300 millions for transportation. It resulted that these goods were bought at prices 5-10 percent higher than the existing ones. Consequently 3,4 billion liras prove to be lost, that is embezzled. Who profited from them? In regard to the second part of the aid in terms of 10 million liras, it follows that the Albanian party also asked the Levante firm.

Many of the points of this issue are still unclear. For instance: Why did the Foreign Ministry of that time expand its competences and considered it as a trade issue. Why was the suspicious firm "Levante Co." used as intermediator and the worse so "The Illyrian Holding?" This gives to understand that speculation was so great. There are also some other doubts. The administration officers involved with the packet of aid had a lot of uncertainties but they were always told from the superiors "don't deal with such things."

From the superior, this means from the former Premier Carcani, former Premier Nano (presently leader of the Socialist Party), etc.

Zhelev Confirms Support for UN Resolution

AU2404174293 Sofia BTA in English 1701 GMT 24 Apr 93

[Text] Sofia, April 24 (BTA)—President Zhelyu Zhelev expressed his surprise over the grossly inadequate, according to him, reaction of some mass media in Bulgaria to his statement at the Carnegie Institute in Washington. Upon his arrival from the United States this morning where he paid a four-day unofficial visit, the Bulgarian president recalled the basic aspects of Bulgaria's Balkan policy, stressing that it is constant and invariable.

Bulgaria, President Zhelev said, has repeatedly stated that it would not avail itself of the difficulties experienced by disintegrating Yugoslavia. "We stated this a year and a half ago and have kept our word," he said. The second aspect of Bulgaria's policy, the president continued, was its readiness to recognize the right to self-determination of all peoples on the territory of the former Yugoslavia and their right to form independent states. Bulgaria kept its promise and on January 15, 1992 it recognized simultaneously the four former Yugoslav republics of Macedonia, Croatia, Slovenia and Bosnia-Herzegovina on the basis of the criteria of the Badinter commission of arbitration. The third principal aspect of Bulgaria's Balkan policy is its insistence on putting an end to the war in the former Yugoslavia as soon as possible so that it would not spread beyond its boundaries. "And if peaceful means—political, diplomatic and economic—fail and the West is forced to resort to military interference in the former Yugoslavia, we have declared that as a neighbouring country Bulgaria will not take part either by its arms or by its Army. It insists that the other Balkan countries bordering the former Yugoslavia, including the two NATO-member states—Greece and Turkey—also refrain from such participation because it may trigger an all-Balkan war, regardless of its noble motives," President Zhelev said. This Bulgarian policy, he said, has been set forth before European and world institutions which received it with understanding. It was also set forth in Washington during the present visit—at the U.S. Congress, Department of State and the White House. My statement at the Carnegie Institute, the president said, expressed fear that the latest developments in the former Yugoslavia may make military intervention inevitable. "There is a principal difference between a proposal and an apprehension expressed in the context of scientific, theoretical or political discussions, as was the case at the Carnegie Institute, Dr. Zhelev said.

The president expressed the stand that Resolution 820 of the UN Security Council should be observed regardless of the fact that it places Bulgaria in an extremely difficult situation. Bulgaria, the president said, will find itself in an identical isolation and will suffer no less losses than Serbia as a result of this resolution.

During his visit to the United States President Zhelev met with U.S. President Bill Clinton. The Bulgarian head of state stressed Bulgaria's striving not to receive loans from the United States but such economic aid that would give an impetus to the development of this country's economy, i.e. investments and the opening of the U.S. markets to Bulgarian goods and the lifting of COCOM [Coordinating Committee for Multilateral Export Controls] restrictions on high technology, the Bulgarian president explained. At his meeting on the following day with Vice President Al Gore, Dr. Zhelev was assured that these issues will be settled by the end of this year.

Cabinet Ready To Enforce Resolution

AU2704094493 Sofia BTA in English 2109 GMT 26 Apr 93

[Text] Sofia, April 26 (BTA)—The Council of Ministers today discussed at a regular meeting a Foreign Ministry document on the enforcement of UN Security Council Resolution 820 imposing new trade and economic sanctions on Serbia and Montenegro. The Bulgarian Government is ready to meet its commitments to enforce the measures envisaged in Resolution 820, says a press release of the government Press Office.

Sanction enforcement will create specific economic problems for Bulgaria. In compliance with Article 50 of the UN Charter, the government will insist before the UN Security Council that they be resolved, as well as on a compensation for the new enormous losses Bulgaria expects to suffer, the press release says.

The cabinet will study the position of the other Danubian countries and will adopt its ultimate decision on the enforcement of Resolution 820 until Wednesday, Prime Minister Lyuben Berov said before the cabinet meeting. The cabinet ministers will hold consultations with the Parliamentary Committees for Foreign Affairs and National Security. The prime minister believes Bulgaria's losses will exceed many times the ministries' projections.

Deputy Prime Minister Neycho Neev today met Mary-Ann Peters, charge d'affaires of the U.S. Embassy in Sofia. Mr. Neev stressed that Bulgaria's economy had suffered great losses in the enforcement of different embargo resolutions so far. When decisions are taken about sanctions against Serbia, the countries suffering losses from their enforcement should also be taken into account, he said. With a view to solving these problems, Mr. Neev proposed that Bulgarian road vehicles be granted free passage to some Greek, Turkish and Italian ports, that road transport be duly exempted from tolls in Hungary, Austria and other West European countries for the duration of the embargo, that air transport be exempted from charges in the case of changed routes, etc.

Ms. Peters said that in addition to the patrol boats donated to this country, the United States would help Bulgarian custom authorities along the Danube increase their efficiency, the government Press Office said. Ms. Peters stressed this was the first time she had heard such specific proposals on the enforcement of the UN embargo resolutions and said she would familiarize the U.S. Administration with them today.

Deputy Prime Minister Neycho Neev discussed the UN sanctions with Italian Ambassador Agostino Matis today. Mr. Neev asked the Italian ambassador to convey a letter to the Italian Government concerning the ban on the transport of Bulgarian meat products to Europe. The Bulgarian side asks the Italian transport authorities to let Bulgarian lorries through the border checkpoint of Treviso to the port of Trieste. Neev put forward his plan for the resolution of Bulgaria's problems arising from its commitments to enforce the sanctions. According to this plan, the G-7 should exempt Bulgarian road vehicles from tolls for the duration of the embargo.

Meanwhile, BTA's correspondent in the Danubian town of Vidin reported that the situation was normal at the border crossings between Bulgaria and Serbia. 3,300 people crossed the border over the weekend. Serbia had not closed its borders until 9.30 a.m. today. The situation is normal and, according to the border authorities, Serbia is not going to close its borders. Serbian border guards who went shopping in Vidin over the weekend, said the rumours in the Bulgarian press that the border would be closed were exaggerated.

Shipping along the Danube is normal. The Bulgarian River Shipping Company expects a Council of Ministers' decree on the enforcement of the latest UN resolution. Two Bulgarian ships sailed upstream in the Romanian-Serbian sector today, a BTA correspondent reported. They are carrying scrap metal, cobbles, sunflower seed and fertilizers to countries in the upper reaches of the Danube, according to customs statistics.

Tighter sanctions against Serbia and Montenegro become effective on April 27 at 7 a.m. local time [0400 GMT].

Zhelev Returns From Kuwait, Assesses Visit

AU2704085493 Sofia Khorizont Radio Network in Bulgarian 2000 GMT 26 Apr 93

[Text] President Zhelyu Zhelev has returned from a two-day official visit to Kuwait. Here is the brief statement he made on landing in Sofia:

[Begin Zhelev recording] After the war in the Persian Gulf we are renewing our traditionally good relations with the Arab world. I am glad that this began in Kuwait, a state we supported. For their part they also showed great willingness to intensively develop bilateral relations. [end recording]

Tanev Views Kuwait Visit

AU2704140293 Sofia BTA in English 1326 GMT 27 Apr 93

[Text] Sofia, April 27 (BTA)—At a briefing at the Ministry of Agriculture today, Minister of Agriculture Georgi Tanev made a high assessment of the visit of the Bulgarian delegation led by President Zhelyu Zhelev to Kuwait. Minister Tanev described the visit as very useful and expressed his regret that as the contacts between the two countries were a bit late, Bulgaria had missed a number of its chances. There is strong interest in Bulgaria and the prospects for bilateral cooperation are good, the minister stressed.

At a meeting with our hosts we talked about possible Kuwaiti investments in poultry-farming, fresh-water fish-breeding and hot-house production, Minister Tanev said. An agreement was reached on the creation of afforested protection belts in Kuwait by Bulgarian specialists.

Large-scale construction is going on in Kuwait at the moment, the minister of agriculture reminded, and expressed his assurance that there is room for Bulgarian activity there too. Bulgaria's specialists are held in high respect in Kuwait and they will welcome them there, the minister said. He confirmed that his Kuwaiti partners were ready to employ Bulgarian agronomists, veterinary doctors and builders. Kuwaiti students, those studying medicine in particular, expressed their wish to continue their studies in Bulgaria.

A Kuwaiti delegation is expected to visit Bulgaria in June this year and then it will become known how much Kuwait is prepared to invest in this country, Minister Tanev said in conclusion.

Zhelev Evaluates Cabinet Performance

AU2704065493 Sofia 168 CHASA in Bulgarian 21 Apr 93 p 12

[Interview with President Zhelyu Zhelev by Yuriy Aslanov; place and date not given: "Three Plus for the Cabinet's 100 Days, but It Was Hardly Possible To Achieve More Than That"]

[Text] [Aslanov] Mr. President, according to the six-point grading system [used in Bulgarian education], how would you grade the government's performance after its first 100 days?

[Zhelev] I would say it is three plus, under the current circumstances, of course, and taking into consideration that the government is acting in a very difficult situation.

I have tried to imagine another cabinet, with a different team, obliged to work under the same circumstances. What would it have achieved? The results would be approximately the same, I would say.

What worries me is that the present cabinet does not stick to its chief priorities. Each government goes down in history with at least one accomplishment. The Popov government will be remembered for introducing the monetary aspect of the reform. The Filip Dimitrov government will be remembered for implementing restitution and for recognizing Macedonia. It also prepared our access to the European institutions. The Berov government took office with the intention of becoming the "government which accomplished privatization," but this is precisely where it has failed to accomplish anything, and it should perhaps change its priorities in this respect.

[Aslanov] What should the government's priority be in your opinion?

[Zhelev] Land reform, and nothing but land reform, could rescue the government and prolong its existence. This cabinet has the chance of being remembered in history as the government which restored the land to its original owners.

I would not like my words to sound as a denunciation of the government's 100 days. Personally, I am convinced that the government is coping with its task to a certain extent, and that a minimal program could be fulfilled. However, I cannot understand why the members of this cabinet are chiefly focusing their attention on privatization, where nothing has been accomplished so far, and where additional legal acts and privatization mechanisms are still required.

It is evident that privatization cannot be achieved by commercial activities alone, that some form of mass privatization should be applied to Bulgarian conditions. In the long run, I cannot imagine that we are more clever than the Czechs, the Poles, and the Hungarians, who have had recourse to methods of mass privatization, considering that there is no other way of attracting the interest of the overwhelming majority of the population in privatization.

There is even more: By applying only one single mechanism of privatization, we risk reaching a situation in which nothing can be accomplished, and in which the workers would most likely oppose privatization.

[Aslanov] Does this mean that you think that the government should devote its main efforts to agrarian reform?

[Zhelev] The government should devote all its efforts to land restitution. As a matter of fact, this question should not even be discussed; it is indisputable. The land must urgently be restored to the people, after which measures on the organizational form of agriculture should be mapped out. Only after all this has been accomplished can every owner decide whether he would like to join a cooperative or if he prefers other systems of farming.

[Aslanov] In one of your statements, you said that you would request the government's resignation if it fails to restore the land, or delays the agrarian reform in one way or another.

[Zhelev] That is not exactly what I said. I was talking about the restoration of communism, the restoration of the old regime, and so forth. I still hold the same views, and hence, my support for the government is conditional. As long as the cabinet continues to promote reform and as long as it is capable of taking optimal advantage of the current opportunities, I shall support it, but if the government should become a hostage to the forces which are aspiring for the restoration of the totalitarian regime, I shall withdraw my support.

[Aslanov] Do you share the impression that the Bulgarian Socialist Party [BSP] is trying to intensify its pressure on the government precisely in this direction?

[Zhelev] Such a trend is noticeable, of course. I am also convinced that the BSP is trying to force its will on the government, considering that this cabinet depends upon the support of the BSP inasmuch as it needs the party's approval for the budget, and also inasmuch as the BSP may demand a confidence vote.

It is my conviction that the BSP is facing its greatest chance and its greatest challenge today. It must show itself capable of becoming a new party, of acting as a modern European party. The case of land reform, for example, is the best opportunity for the BSP to demonstrate that it has really broken with its past, that it is ready to renounce the privileges of its own village nomenklatura. The land is going to be restored to its owners sooner or later, and the sooner it happens the better.

[Aslanov] Are you not under the impression that the BSP is aiming at the opposite?

[Zhelev] Part of the BSP's membership have such intentions. However, I have talked to other BSP representatives who understand that private land ownership should be restored and that the agrarian reform would stagnate as long as the land is not restored. Hence, I cannot answer your question with a straightforward yes or no.

[Aslanov] How do you evaluate the position of the Union of Democratic Forces [SDS]?

[Zhelev] Unfortunately, the SDS has lost a great deal of its positions. I dare say that I grasped the situation at a rather early stage and at my news conference on the so-called Boyana meadow I sharply criticized the SDS and the National Coordinating Council for embarking upon the path of confrontation, which is inevitably leading the union to suicide. If you remember, I mentioned the confrontation with the trade unions on that occasion. Regardless of the great tensions, the dialogue and the contacts with the trade unions should have been pursued. I also noted the confrontation with the entire extra-parliamentary opposition based on the principle of "whoever is not with us is against us." I pointed out the confrontation with the media and with the most popular part of the press, as well. Last, but not least the confrontation with private business circles was one of the fundamental reasons for the dramatic conflicts involving the former cabinet.

In analyzing these periods, I think that the confrontation with the Bulgarian Orthodox Church was also disastrous for the SDS. This was one of its greatest offenses in my view. The church should have been at the side of the SDS. After all, the SDS was the initiator of the changes and it gave the church what the former regime had denied it. The SDS revived the role of the church in our society's spiritual life and restored its confiscated property. There was no reason for the church to oppose the SDS government. The insane idea of splitting the church rather than introducing changes on the basis of its canon law and of its internal organization was one of the greatest sins of the SDS, in my view.

[Aslanov] Some of the SDS leaders were found to be connected with some religious sects. I do not know whether you are familiar with this problem, which has been the cause of recent scandals?

[Zhelev] Of course, I follow such developments closely and with increasing concern. We have learned from the media about the links between certain SDS leaders and these sects. If the situation in the church were less dramatic, I think that the infiltration of one or another sect into our country would not have such a disastrous impact upon our people's spiritual health. However, considering the current split that is ruining the prestige of the church, the infiltration of foreign sects, which, unlike our Orthodox Church, are much more up to date and unburdened by tradition, is likely to take possession of our young people's souls, and this makes the influence of the sects particularly dangerous. We will have to cope with this problem now and in the future.

[Aslanov] Do you intend to interfere in this matter?

[Zhelev] Some kind of authoritative decision at a governmental level, some kind of principled stand should be adopted on the problem of sects. I have always adhered to the Constitution and refrained from interfering in religious matters. Nevertheless, regarding the sects, I think that the situation should be revised. This problem already concerns the state, and perhaps parliament and other state institutions should get involved.

[Aslanov] Do you consider it likely for elections to be held soon?

[Zhelev] I would not commit myself to making forecasts in this respect. The date of future elections depends on the balance of the major political forces and on their common readiness, or on the readiness of one of them to hold elections.

[Aslanov] Nevertheless, if elections should be held in the near future they will hardly change anything.

[Zhelev] I am convinced that conditions are ripe for the formation of an alternative force. Unfortunately, the political formations that claim to be occupying the political center and to be filling its entire political space are not in a position to assert themselves as a new alternative in the eyes of the voters.

[Aslanov] Many people are linking your name to the so-called center, claiming that it enjoys your support.

[Zhelev] Look, many people speak on my behalf and take advantage of it, sometimes. In this particular case, I am simply fielding an idea based on the results of opinion polls. It is not a question of wishful thinking, of looking for a political alternative that should back me or that I should support, in spite of the fact that all these formations claim to stand behind me, to support me, and so forth.

The question is different: No formula for such an alternative formation likely to win votes in this newly emerging political space yet exists. In addition to this, I am very much afraid of a left wing trend among the masses. I listen to the radio, I watch television, I read the newspapers, I meet people, and all these things influence my impression. I see a certain revival of old communist reflexes. The insecurity stemming from unemployment and destitution, from the increasing impoverishment of the majority of the people undoubtedly encourages such leftist trends.

People are disappointed and long for a strong hand to set up law and order. This is how dictatorial regimes usually emerge. Hence, we need a stable government and solid state institutions.

I am afraid that the government serves too many masters. I am afraid that in trying to please the first, the second, the third, and the fourth parliamentary force, the government may fail to do what is necessary at the moment. The danger is based on objective prerequisites, because, if one of the four groups withdraws its support, the government loses its foothold.

Hence, the next elections should be based on the majority system, or at least on a mixed system, according to which 70 percent of the deputies are elected on the basis of the majority principle, while 30 percent of them are elected on the basis of the proportional principle. This is likely to consolidate the administration and reduce the factor of party discipline, which has a negative impact on the political process as a whole.

Aleksandrov Views Yugoslav Conflict, Macedonia

AU2204203593 Sofia BTA in English 2004 GMT 22 Apr 93

[Text] Vienna, April 22 (BTA)—Last night Channel 2 of Austrian television aired an interview with Bulgarian Defence Minister Valentin Aleksandrov who is paying an official visit here. Against the background of Bulgaria's attitude to the crisis in the former Yugoslavia, the Bulgarian defence minister was asked of the possibility of Serbian troops attacking Kosova. Defence Minister Aleksandrov answered: "A month ago the situation was such that one could presume that the Serbian troops may deal their next blow on Kosova but now there are a number of signs indicating that this blow will be in a different direction. In Croatia." Then the defence minister was asked of Bulgaria's attitude to neighbouring Macedonia. The Bulgarian defence minister said that with the recognition of the state of Macedonia, Bulgaria fulfilled a historical duty and this is all there is to it. Answering an additional question he explained that Bulgaria has recognized the state and not the nation because the Bulgarian origin of the Macedonians is irrefutable. It is a different matter whether they identify themselves as Bulgarians and he could not provide an answer to this question.

Today the Bulgarian delegation headed by Defence Minister Valentin Aleksandrov visited the Diplomatic Academy and the Military Academy.

This evening at the Bulgarian Embassy in Vienna Austrian senior military were awarded by decree of the President of Bulgaria Dr. Zhelyu Zhelev for their contribution to the establishment and promotion of the relations between the Defence Ministries of the two countries. Austrian Defence Minister Werner Fasslabend was awarded the Balkan Range Order and the Inspector General of the Austrian Armed Forces Colonel-General Karl Meitzen the Madara Horseman Order.

Yesterday the Bulgarian delegation observed exercises of units of the Austrian Army.

Yesterday Mr. Aleksandrov was invited by the Danubian European Institute in Vienna—an organization of international economic relations which has a consultative status with the ECOSOC and the Council of Europe—to read a lecture on "Topical Issues of European Security and the Role of the Danubian Countries."

Bikov Proposes Restructuring Defense Industry

AU2304150093 Sofia 24 CHASA in Bulgarian 20 Apr 93 p 3

[24 CHASA staff report]

[Text] Industry Minister Rumen Bikov has proposed to the cabinet that four holding companies should be set up to manufacture and trade in special products under the supervision of the Industry Ministry.

His draft report was not considered at the closed meeting of the Council of Ministers on Thursday 15 April because the ministers received it late and had not had time to read it. Rumen Bikov's 175-page report on restructuring the military-industrial complex will probably be discussed at the cabinet meeting on 24 April.

The industry minister proposes removing 40 enterprises from the military-industrial complex, leaving it with 37 companies. The 40 companies will be assigned to four holding companies, dealing with ammunition, weapons and combat equipment, optics, and electronics, which will trade among themselves. The central export organizations and scientific research institutes will also be included in separate holding companies. The project proposes that Kinteks and the Kazanluk Scientific Research Technological Institute should remain in the military-industrial complex, but be under the control of the Industry Ministry.

"This is a provisional document that we have been preparing for six months, and we are now discussing it with all the interested parties," Minister Bikov told 24 CHASA. In his view, the military industry will inevitably collapse if things are left in their present state.

"I have only just read the report and cannot comment on it," Trade Minister Valentin Karabashev stated diplomatically. However, Construction Minister Khristo Totev, who has dealt with the problems of military industry conversion for years, criticized Bikov's idea, saying: "One cannot put the manufacture and trade in special products under the control of a single body." In his view, the proposed division is a mechanical solution, and does not clearly specify the relations between the enterprises.

Ministry Denies Greek Authorities' 'Allegations'

AU2304164093 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 23 Apr 93

[Text] In connection with allegations by the Macedonian Press Office in Saloniki that Bulgarian customs authorities prevented the passage of a Greek convoy carrying humanitarian aid deliveries for Serbia, the Press Center of the Bulgarian Ministry of Foreign Affairs published the following announcement:

The Bulgarian Ministry of Foreign Affairs, after having been unofficially notified by the Greek Embassy in Sofia on 12 April 1993 about Bulgarian customs authorities having stopped a truck with Greek registration that was transporting humanitarian aid for the Serbian Orthodox Church, has investigated the case. According to the investigation, the Greek truck did not possess the necessary authorization from the UN Sanctions Committee.

The Ministry of Foreign Affairs urgently requested the Greek Embassy to confirm the contents of the freight.

The leader of the EC and CSCE customs experts' mission stationed in Bulgaria was invited to assist in the investigation. As a result of joint efforts pursued in a spirit of goodwill and readiness for cooperation, the Bulgarian side was prepared to make an exception and authorize the passage of the truck, loaded with humanitarian aid for Serbia, as early as 13 April 1993.

In the meantime the Greek Embassy in Sofia declared that, according to instructions from Athens, it is not in a position to confirm the contents of the deliveries with a diplomatic note and that the truck is expected to return to Greece, at which time the case should be considered closed.

The Ministry of Foreign Affairs rejects the accusations addressed against the competent Bulgarian authorities as unfounded and biased, regarding them as an attempt of manipulating public opinion.

Minister Bikov Views Defense Industry Situation

AU2704071993 Sofia BULGARSKA ARMIYA in Bulgarian 21 Apr 93 p 1

[Interview with Minister of Industry Rumen Bikov by Evelina Koleva; date and place not given: "After Mines and 'Neftokhim' Now It Is Time for the Defense Industry"]

[Text] On the 100th day of its term in office the cabinet of Lyuben Berov did not fail to announce the topic for governmental debates in the next days and probably weeks, namely the fate of the military-industrial complex. A few hours earlier Industry Minister Rumen Bikov had signed the branch agreement with the trade unions, according to which the workers in the defense industry will receive a minimum monthly wage of 1,350 leva. In a pause between toasts, Mr. Bikov granted BULGARSKA ARMIYA an exclusive interview:

[Koleva] The deputies are discussing the possibility of halting the structural changes to the military-industrial complex. If accepted, would this block actions related to implementing the annual program of the ministry, in which each of the military-industrial complex enterprises is listed?

[Bikov] To a certain degree this slows down our actions related to restructuring the complex. I must say immediately that the military-industrial complex cannot remain in its present form, because this will ruin it completely. We have thoroughly analyzed the present situation of the military-industrial complex in a 200-page report. We especially analyzed the product technological and organizational structure and noted the opinions of many experts in this area. The proposals included in the report have been addressed to the Council of Ministers and the National Assembly. It was high time this report was produced. However, I must point out that the ministry's document has not been discussed by the cabinet, because all the interested parties must express their opinion prior to the discussion.

[Koleva] Are you surprised by the slow pace of the work of the National Assembly Special Commission on the Military-Industrial Complex?

[Bikov] I am not surprised. We worked almost six months on the analysis of the military industry's problems and completed the analysis only one week ago. I think that in the next few days the National Assembly commission will also publish its report, and thus we could move on to a broad discussion. We have already coordinated positions with the National Security Commission.

[Koleva] In your opinion, what part of the 22 billion leva envisaged by the draft budget for repaying bad debts should go to the military-industrial complex?

[Bikov] You know that bad debts of the military-industrial complex amounting to 1.15 billion leva were converted into state debt in 1992. Thus, problems related to the mobilization stocks of the companies and associations were resolved. What still remains is a small part of those debts related to investment credits received until 1990. The amount is not small, and financial-economic criteria will be applied in dealing with it. However, without a comprehensive strategy on developing the military-industrial complex this healing measure will not be sufficient to stop the production deterioration.

[Koleva] Am I to understand that the report on the military-industrial complex that has been prepared is another reason for your good mood?

[Bikov] I think that the variant proposed by the ministry is realistic for those who produce the specialized products.

Karabashev Receives Nigerian Delegation

AU2304191093 Sofia BTA in English 1644 GMT 23 Apr 93

[Text] Sofia, April 23 (BTA)—Mr. Valentin Karabashev, deputy prime minister and minister of trade, today received a delegation of the Nigerian State of Kogi, led by the State Governor Prince Abubakr Audi [name as received], which arrived in Bulgaria at the invitation of Tekhnoeksportstroy. Prince Audi said he was favourably impressed by his meetings here with government officials and businessmen. The guests will get familiar with the opportunities which Bulgaria offers for cooperation in construction, fruit juice production, lumbering and the furniture industry.

Mr. Karabashev assured his guests that within its prerogatives, the Bulgarian Government will provide the appropriate assistance to the companies which will pursue trade and industrial cooperation with Nigeria. The hope was expressed that the bilateral turnover of some 10 million dollars last year will rise with the expansion of two-way imports and exports and with the settlement of Nigeria's 100 million dollar debt to Bulgaria.

The Nigerian officials said they were willing to negotiate on the debt and requested further information on the matter. It was stressed that both countries are in a transition to democracy and face similar problems, and the expansion of economic relations between Bulgaria and Nigeria will undoubtedly lead to an acceleration of democratic change.

Austrian Parliamentary Delegation Arrives

AU2704102793 Sofia BTA in English 1937 GMT 26 Apr 93

[Text] Sofia, April 26 (BTA)—A seven-member delegation of the Austrian Parliament, led by Dr. Robert Lichal, second president of the Nationalrat, arrived on a three-day visit to Bulgaria today.

The Austrian delegation was received by National Assembly Chairman Aleksandur Yordanov, a parliamentary spokesman said. Dr. Lichal and Mr. Yordanov expressed the striving of their countries to ever closer integration into the European structures. Mr. Yordanov thanked the Austrian Parliament for its assistance in Bulgaria's affiliation to EFTA [European Free Trade Association]. The two sides discussed issues of the political, economic and cultural cooperation between Sofia and Vienna, including a medium-term loan to Bulgaria to be ratified by the National Assembly by the end of this week.

Dwelling on the situation in the former Yugoslavia, Dr. Lichal said that both Bulgaria and Austria are directly affected by the tragic events there and Mr. Yordanov stressed the principle of noninterference observed by the Bulgaria despite the fact that the spreading of the conflict has made it a barrier before this country's economic contacts with Europe.

Later today the Austrian parliamentary delegation met with First Deputy Foreign Minister Valentin Gatsinski. The two sides discussed bilateral relations and a number of international issues expressing concern over the development of the situation in the Balkans and above all the crisis in the former Yugoslavia, the Foreign Ministry said.

The schedule of the visit of the Austrian delegation includes meetings with President Zhelyu Zhelev, Prime Minister and Foreign Minister Lyuben Berov and the parliamentary groups.

OSD Criticizes Zhelev Call for Intervention

AU2204080093 Sofia BTA in English 2108 GMT 21 Apr 93

["Today"—BTA lead]

[Excerpts] Sofia, April 21 (BTA)—[passage omitted] National Assembly Chairman Aleksandur Yordanov today visited the Embassy of Turkey in Sofia to express condolences on the death of Turkish President Turgut Ozal.

Bulgarian First Deputy Foreign Minister Valentin Gatsinski and Mr. Sychev, deputy foreign minister of Belarus, initialled the Treaty of Friendly Relations and Cooperation Between the Republic of Bulgaria and the Republic of Byelarus in Minsk on April 20 and signed a protocol on consultations between the two countries' Foreign Ministries, the Foreign Ministry Press Centre announced today. During Mr. Gatsinski's visit to Minsk, the sides discussed the forthcoming visit to Bulgaria by the chairman of the Supreme Soviet of Belarus. [passage omitted]

Vice Governor of the central National Bank of Bulgaria Gancho Kolev today told the members of the Parliamentary Economic Committee that this year's inflation will hardly be limited to 60 per cent, as projected in the 1993 draft budget. [passage omitted]

The National Assembly Committee on Culture, which today again debates the draft budget for the cultural sector, will ask the National Bank and the other state banks to introduce preferential lending terms for the development of culture.

At their regular news conference today, leaders of the Alliance for Social Democracy (OSD, a faction within the BSP) [Bulgarian Socialist Party] today described as "misplaced" Bulgarian President Zhelyu Zhelev's statements at the Carnegie Institute for International Peace in the United States, where he is paying a visit, about the possible intervention of external forces against the Bosnian Serbs. According to the OSD, these statements of the president are inconsistent with his thesis so far of Bulgaria's active neutrality with respect to the conflict in the former Yugoslavia.

OSD leader Chavdar Kyuranov said that the alliance would join the council which 12 centrist parties and organizations formed last week, but only in an observer capacity, because it is not a separate party but part of the BSP.

The parliamentary faction of the ethnic Turks' Movement for Rights and Freedoms (DPS) today held a hearing of the local leaders of the Blagoevgrad area (Pirin Macedonia, southwestern Bulgaria) and Mr. Yusuf Dzhudzho, until recently mayor of the village of Satovcha, who has been charged with involvement in forcible Turkicization of Bulgarian Mohammedans in the area. According to Osman Oktay, one of the DPS leaders, "a situation is being again deliberately politicized." This is rather dangerous in a sensitive area, Mr. Oktay believes. The DPS top leadership will hold a special meeting at the beginning of next week to consider these matters.

At a news conference today, leaders of the extraparliamentary Union for a Turnovo Constitution (an association of monarchist parties and organizations) criticized the performance of the Lyuben Berov government so far. [passage omitted]

At a special news conference, the Union of Private Bread Bakers protested against the virtual monopoly of the state bread-making plants and asked the government to support the development of the industry. The news conference was attended by the visiting president of the Greek Bread Bakers Federation Panos Pavlopoulus, honorary president of the World Council of Bread Bakers and member of the EC Economic and Social Commission.

The engagement of Prince Kubrat of Panagyurishte (the third son of King Simeon II, the exiled Bulgarian monarch who lives in Madrid) to Miss Carla Roillo Vianova, was announced on April 16, his Majesty's Press Service in Sofia said today. Prince Kubrat has graduated in medicine and is a second-year major in digestive surgery. His fiancee is 24 years old and a law graduate. The wedding is scheduled for July. [passage omitted]

Agriculture Ministry Calculates State Land

AU2204203693 Sofia BTA in English 2008 GMT 22 Apr

[Text] Sofia, April 22 (BTA)—The state land stock amounts to 212,400 hectares, as determined by the Ministry of Agriculture in late March. Of them 188,700 are arable. The Ministry of Agriculture intends to lease this land. 31,800 hectares of the arable land stock will be given to scientific organizations and experimental stations and almost 156,900 hectares are now free, according to Pencho Konishev, chief of the Land and Land Use Department of the Ministry of Agriculture.

Because of the low prices the interest in renting land of the state stock is constantly growing. But Mr. Konishev said that this land will not be given indiscriminately and assured that it would be used mainly for the allocation of land to landless peasants. Applications have been received from different companies and associations for large areas of land but the Ministry of Agriculture has decided to meet the needs of the local population first. If there are more candidates for a given plot of land the dispute will be settled through auctions, the Ministry of Agriculture decided.

IAEA Mission Starts Inspection at Kozloduy

AU2704073893 Sofia BTA in English 1327 GMT 26 Apr 93

[Text] Kozloduy, April 26 (BTA)—The OSART [expansion unknown] mission of the International Atomic Energy Agency (IAEA) began work at the Kozloduy Nuclear Power plant today. The mission comprises five IAEA experts and three specialists from Spain, Britain and Canada respectively. Bulgarian specialists from the Committee for the Peaceful Used of Atomic Energy, Energoproekt and the N-plant are taking part in the mission's work.

In five days the mission will inspect the condition of the four old 440-megawatt generation units at the N-plant paying particular attention to their nuclear and operational safety. The experts will analyse the operators' qualification, the emergency situations, repair works, the condition of both equipment and metal, the units' active zones, all control and measurement devices. The mission will complete its work on April 30 and make a report which will be submitted to IAEA, the Bulgarian Government and the Kozloduy N-plant.

Four of the six units are operating today. Their total capacity is 1,600 megawatt. Unit 1 has been stopped for reconstruction, Unit 5 is under repair according to plan. Russia is expected to deliver fresh nuclear fuel for the four units by the end of the week.

Baudys Says Army Not Ready for Bosnia

AU2704141593 Prague LIDOVE NOVINY in Czech 23 Apr 93 p 3

[Interview with Defense Minister Antonin Baudys by an "em"- signed reporter; place and date not given: "We Are Not Ready For Intervention"]

[Text] [LIDOVE NOVINY] The international community is beginning to consider the possibility of armed intervention in Bosnia. President Vaclav Havel recently told U.S. reporters and the U.S. President that the Czech Republic supports stronger action and is prepared to participate in it. Does this mean that, in the event of an intervention, the Czech Republic will send armed units to Bosnia?

[Baudys] The Army is in no way ready to send combat units to Bosnia, even if we really wanted to. This is due to their incompatibility with Western armed forces and their difficult to impossible cooperation at all levels. We cannot compare the tasks facing our UNPROFOR battalion in Yugoslavia to the tasks that would be facing units in combat.

[LIDOVE NOVINY] That is to say, in case of need, we will not fulfill our promises?

[Baudys] We are capable of sending support units, and best of all medical units. That is, if the government and parliament think it is appropriate.

[LIDOVE NOVINY] How many men or, as the case may be, women would this involve?

[Baudys] It is too early to talk about this. We are prepared to subordinate ourselves to a specific agreement.

[LIDOVE NOVINY] Will the Czech Army ever have a unit capable of being incorporated into a multinational army in the event of similar interventions?

[Baudys] We are planning to create a special rapid deployment brigade within the new Czech Army, a brigade that—apart from its purpose as such—would train for specific cooperation with foreign forces, for example, with NATO. However, this is a matter for the future. We are not ready for this today.

Dlouhy Calls EC Policies 'Catastrophic'

AU2304144793 Prague CTK in English 1706 GMT 21 Apr 93

[Text] Prague April 21 (CTK)—Czech Industry and Trade Minister Vladimir Dlouhy, rejecting criticism by opposition parties of the government's economic policies, told the 8th session of the Czech Parliament today that the Czech economy was rebounding thanks to shock therapy.

Dlouhy praised coupon privatization for the speed with which it was allowing businesses to restructure and bring in new management, and called for the pace of sell-offs to increase.

Dlouhy also noted that the former Czechoslovakia received one billion U.S. dollars in foreign investment last year and that the Czech Republic was among those countries considered favorable for investment.

Regarding the collapse of trade with countries of the former COMECON trading bloc, Dlouhy remarked that the organization had been inactive for quite a long time. He added that the government rejected restrictions on imports and would maintain an open market policy. He stressed, however, that this could only be accomplished if the Czech Republic's trading partners played by the same rules.

Dlouhy had harsh words for the European Community (EC), whose policies he termed catastrophic. He said they could serve neither as a leader nor a mirror for the Czech Republic. As long as I am minister of trade, I will never allow such a policy, said Dlouhy, referring to the latest EC ban on meat and dairy imports from Eastern and Central Europe.

Following Dlouhy's speech and further debate on economics Minister Karel Dyba's Tuesday [20 April] report, deputies passed a resolution recommending that the parliament's Economics Committee evaluate the effectiveness of current methods of privatization.

Kocarnik Thinks Republic Ready for EC in Two Years

AU2604152893 Prague CTK in English 0915 GMT 22 Apr 93

[Text] Prague April 22 (CTK)—What the Czech Republic needs from the European Community (EC) is only that it open its markets for Czech goods and not apply strict quotas on Czech exports, Ivan Kocarnik, Czech finance minister, said in the daily TELEGRAF today.

Kocarnik said that he was concerned that protectionist tendencies were getting stronger within the EC, adding that the growing ability of Czech producers to compete with other countries' goods gives no reason to implement any kind of discrimination against them.

Kocarnik said he did not think that the renewal of the Czech Republic's association agreement with the EC is threatened. He believes, however, that there is no reason for the Czech Republic to wait five to seven years for acceptance in the EC. Kocarnik voiced the view that within two years the Czech Republic would become a state with a sufficiently advanced economy to become an EC member. Until that time the Czech Republic will have to live through the first wave of healthy bankruptcies and to complete the privatisation process, Kocarnik said. He added that the Czech Republic fulfills all preconditions for becoming sufficiently developed to eventually enter the EC.

Klaus Airs Views on European Cooperation

AU2604195993 Prague CESKY DENIK in Czech 23 Apr 93 pp 1, 13

[Article by Prime Minister Vaclav Klaus: "European Snags and Meat"]

[Text] Any sensitive observer of the political development in Europe certainly knows (and an active observer even more so) that the troubles in the meat trade are not being caused primarily by veterinary problems, but are a reflection of the situation in today's Europe, and of the existing tension between pan-European efforts toward unification on the one hand, and nationalist trends toward more individualization on the other.

This dispute, this paradox, is as old as Europe itself, and any illusions that it could be overcome just now, in the last decade of the 20th century, are erroneous.

It is symptomatic that, as early as in 1992, our first president, T. G. Masaryk, felt exactly the same way: "In Europe, we must harmonize centralist forces and forces seeking autonomy. The unity of Europe depends on this harmonization. Unity is not uniformity, however. There are ethnic and cultural differences in Europe. Throughout its development over thousands of years, Europe has developed this variety, and this is why unity should be organized on historical principles, and also according to natural variety, of national and other types." This is why Masaryk refuses "to speak with contempt about the Balkanization of Europe", and suggests "various old-style centralist prescriptions for the unification of Europe. This would mean a misunderstanding and ignorance of the European continent." Masaryk, as a realistic politician, knew that the trends in both directions are "natural historical processes" reflecting "the efforts of individual countries and states to intensify their political and cultural life."

The centralist trend usually persists until it meets with resistance resulting from the interest of this or that country. The massive ban of April 1993 is a perfect example of the situation in which the specific interests of individual countries (or influential groups within them) completely prevailed over abstract, more general interests (or ideals) and universal solutions. Of course, this calls for a rethinking of the principles and foundations of the overall European integration process. Today, should we try to strive for maximum unification, or seek the highest common denominator again, and leave everything else aside?

I have good reasons for my conviction that the common denominator for each and every conservative (and pragmatic) thinking man are the pan-European government, a pan-European currency, pan-European standards for the shape and size of beer and wine bottles, a single pan-European citizenship, a common pan-European social legal system, and such. I fully agreed with Margaret Thatcher when she said in Washington in 1991 (I was lucky enough to be there at that time): "Free trade is the fastest form of international cooperation." Free trade is a guarantor for economic efficiency and cooperation in the name of common interests of all of us, a guarantor for political decentralization and the limitation of state powers and state bureaucracy.

As always, it seems that we have to deal not so much with differences over basic principles but with different opinions as regards the time schedule. However, this is not the absolute truth, and we have exceptional experience with it in our economic reforms. We have not given any room to perestroika-type reformists, we have not started to restructure our enterprises (through a central order without real prices and market climate) followed by the liberalization of prices and foreign trade, that is, we have not begun blocking the market, but, on the contrary, we have liberalized it. The situation in Europe is similar, and the dispute is going on between the same political forces—protectionism and free trade reflect different political and economic philosophies, and the varying extent of the dominance of particular interests over general interests, whose enforcement in individual countries is in direct connection with the general and prevailing ideology and the courage of politicians to defend it.

We know well that there is no other road—protectionism is not our road to take—and we know that the unpleasant situation that has arisen must be solved by standard political methods. To push for isolationism because we have been offended, or seek tough measures, is not a constructive attitude and we ourselves would have to pay dearly for it. We should note that this is exactly what the opposition is demanding from us—they are calling for our isolation from the developed countries of Western Europe. Communist Party Chairman Jiri Svoboda said in his recent letter to me that he would like to implement "tough steps toward the protection of our economy," and to "take various retaliatory steps", and he mentions the "deep economic recession of the Western world." If he wants a change in our foreign policy, then I must ask whether he means that we should forget the West and orient ourselves toward the states of the former USSR. I asked Mr. Svoboda in my written reply how he would describe the situation in the successor states of the former USSR, if he calls the situation in the Western world a deep economic recession.

The fact that there are small wins and losses of this or that party in the uninterrupted confrontation among liberalism, etatism, common sense, dogma, and truth and lies can be no reason for panic, precipitate action, or unilateral shifts in the way we think. I am still hoping that some people have become sober—somewhat, at least—and come to the understanding that it is not foot-and-mouth disease, but Europe that is involved here.

Dlouhy Rejects EC Conditions for Lifting Ban

LD2304224993 Prague CTK in English 1927 GMT 23 Apr 93

[Text] Prague April 23 (CTK)—Czech Minister of Industry and Trade Vladimir Dlouhy said today he was dissatisfied with the outcome of his talks with the European Community (EC) Commissioner for Agriculture Rene Steichen.

Dlouhy told journalists that the commissioner had informed him in Brussels that the veterinary committee was continuing its deliberations and was considerning the possibility of lifting an embargo on imports of meat and dairy products from eastern and central Europe on condition that each delivery of meat and livestock is announced beforehand and is put in quarantine for up to 15 days. I had to reject, though not officially thus far, these steps, Dlouhy said. He said that the measures mentioned would represent such a worsening of trade conditions that we would be able to state that barriers in trade in these commodities still exist, Dlouhy said.

He said that Czech imports to EC countries amounted to 121 billion crowns (some 4 billion USD) in 1992 with imports of meat and live animals representing only 1.3 per cent of the whole amount. In the same period EC countries exported goods worth of 114 billion crowns (some 3.8 billion USD) to the Czech Republic with the share of exports of meat and livestock totalling 0.73 per cent. This trade is not essential for us from the point of view of our turnover with the EC, Dlouhy said.

Dlouhy said he had conveyed to the EC agriculture commissioner his disappointment over the EC embargo, saying that the Czech Republic could not understand the EC approach. The EC commission's trade policy is really copying practices existing in times of the former political iron curtain, dlouhy said, adding that the EC commissioner had failed to tell him why these measures did not concern Austria which also lies in central Europe and moreover has a common border with Italy.

Klaus Praises Havel for Airing 'Displeasure' in Washington

AU2604152293 Prague CTK in English 2035 GMT 22 Apr 93

[Text] Prague April 22 (CTK)—Czech Premier Vaclav Klaus commended Czech President Vaclav Havel for expressing, during the current United States visit, the Czech displeasure with the Czech Republic's inclusion on a list of 44 countries which have erected trade barriers with the U.S last year.

Speaking at a press conference today, Klaus stressed that the president had done so at his suggestion.

Klaus added that he did not hold prior discussions with the president on the unfinished Temelin nuclear power plant. The Westinghouse Corporation of the U.S. also participates in the completion of the South Bohemian facility.

Klaus said, he went public on April 15 with the super-zero option concerning the division of federal property when he felt that a government coalition partner, the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL) was about to leak out this idea Klaus tossed about at a government meeting.

I had the feeling it would be not right to let someone else bring up the idea without authoring it, Klaus said

The premier remarked that the super-zero option would mean an immediate cessation of federal property talks with Slovakia, but it was not yet on today's agenda, it would be only utilised if ongoing negotiations with Slovakia utterly fail.

Skalicky: Privatization Fastest in Czech Republic

AU2304132593 Prague CTK in English 1621 GMT 21 Apr 93

[Text] Prague April 21 (CTK)— The process of privatization currently under way in all the post-communist countries is going fastest in the Czech Republic, despite difficulties and holdups caused by the split of Czechoslovakia, Jiri Skalicky, minister for the administration and privatization of national property told the Czech Parliament today.

Skalicky was addressing the deputies at the end of a parliamentary discussion on a Tuesday [20 April] government report on the state of the Czech economy.

Reacting to a left-wing deputy's remark that land reform has all but ground to a halt, Skalicky said the Czech Government was not trying to gloss over the difficulties encountered in the reform, and he blamed delays in getting the projects approved on the poor state of property ownership records and insufficiently researched materials for environmental auditing.

The reform hinges, Skalicky said, on the processing of restitution claims, which in many instances had to wait until the official deadline for application, January 31 1991, was reached.

This is exactly the reason why former state-owned farms, for instance, could not be privatized a year ago, Skalicky said. If somebody says otherwise, Skalicky said, they are either demagogues or show a lack of legal insight.

Describing as pathetic the fact that hints at the slow pace of land reform have come from a left-wing deputy, Skalicky said: it would do good to compare the pace of our land reform with that in Slovakia.

When the present political representation in Slovakia describes its land reform strategy, Skalicky added, they speak very much like the opposition in this parliament.

From this comparison, we may well guess what would be the pace and style of the land reform if it were administered by the opposition, Skalicky said. Statistical data from Slovak land reform speak for themselves, he concluded.

Parliament Adopts Resolution on B-H Crisis

AU2604152593 Prague CTK in English 1317 GMT 22 Apr 93

[Text] Prague April 22 (CTK)—The Czech Parliament adopted a resolution today stating that the situation in the former Yugoslavia, mainly in Bosnia-Herzegovina, is serious and tragic, and recommending that the Foreign Committee deal further with the issue.

On the proposal of Deputy Andrej Gjuric (Civic Democratic Party—ODS), the deputies discussed the situation in connection with the outbreak of fighting in Bosnia-Herzegovina last year.

In his introductory speech, Gjuric pointed out that the Bosnia-Herzegovina problem substantially differs from all other countries waging wars.

Everybody should realise that the conflict could have been prevented if Europe had wanted to hear warning signals. The former Czechoslovakia for many reasons should have and could have played a more significant role, which the Czech Republic is early [as received] now attempting, he said.

The conflict could have been restrained from the nationalism two and half years ago, Gjuric said, adding that to come up with a solution to the conflict is much more difficult now.

Whatever happens, Europe has no right to talk about coexistence on a civic basis when it has let one state, having strived for such a coexistence, suffer from nationalism and possible complete extermination, Gjuric concluded.

DPRK Urged To Reconsider Decision To Leave Treaty

LD2604120793 Prague CTK in English 1147 GMT 26 Apr 93

[Text] Prague April 26 (CTK)—The Czech Ministry of Foreign Affairs believes that the Democratic People's Republic of Korea (North Korea) should re-evaluate its announced intention to withdraw from the Nuclear Non-Proliferation Treaty, according to a ministry statement given CTK today.

The reason for North Korea's decision, which was announced in mid-March and which will go into effect in June, is a conflict with the International Atomic Energy Agency. North Korea considers the agency's efforts to inspect North Korean nuclear facilities unjust.

The Czech Republic considers the Nuclear Non-Proliferation Treaty to be one of the primary pillars of the system of agreements which limits armament and aids in strengthening international security. The weakening of the treaty would be a serious step, which could bring about a threat to regional and global security, reads the ministry's statement.

In the statement, the Foreign Ministry endorses strengthening the treaty even before 1995, when the next evaluation conference will meet to discuss the agreement.

The Nuclear Non-Proliferation Treaty has been signed by almost 150 countries. North Korea, which signed the agreement in 1985, is the first country to withdraw from it since its establishment in 1968.

Support of Intervention in Bosnia 'Likely'

LD2404154493 Prague CTK in English 1506 GMT 24 Apr 93

[Text] Bratislava April 24 (CTK)—Slovakia is likely to support potential military intervention in Bosnia, said Slovak President Michal Kovac upon his return from an official visit to the United States today.

Like the Czech Republic, Slovakia will support all steps taken by the U.N. Security Council in this respect, despite the fact that a 70,000-strong Slovak minority resides in Serbia, Kovac said.

He described his trip to Washington, where he attended the opening of the Holocaust Museum, as historic and very successful. in his opinion, he said, he succeeded in presenting Slovakia as a country heading for democracy and market economy.

I also assured the U.S. President that Slovakia's foreign policy is oriented towards West Europe, and in the security area towards NATO, Kovac said.

During his stay in the United States, Kovac also met with U.S. Vice-President Al Gore, Secretary of Defence Les Aspin and other U.S. officials.

Meciar Interviewed on Current Issues

LD2304223093 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 23 Apr 93

[Regular interview with Prime Minister Vladimir Meciar by Lydia Mrazova; date and place not given—recorded]

[Excerpts] [Mrazova] Mr. Prime Minister, in connection with the law on salaries of constitutional officials which was returned to the parliament by the president and which the parliament approved two days ago in its original version, you said that you were in a difficult situation because if you went to another open conflict you would face threats of mistrust to the government as a whole. Many were taken aback by the fact that you admitted to the danger of the end of the government when a commentator talked about you in the political past tense. MLADA FRONTA DNES notes that Meciar with his minority government is in a political crisis, Slovakia is on its knees, and the pockets are empty.

[Meciar] This assessment of the activity of the government can be compared to the following: You come to someone's backyard, give him a large heap of sand and he sifts it. Then you come and see him again and say: But you have not swept the yard yet. You disregard the fact that he managed to sift the sand three or 10 times more quickly than usual.

The activity of the government has been highly productive, if not feverish, in relation to the problems of the country. Many problems exist which are the results of objective developments around us. They are the consequence of the development in our country, they are the result of the mistakes which were rooted in the structure of the economy of the past decades, mistakes which were caused by the transformation process. They also represent the consequence of the state administrative arrangement which has not only negative, but also positive significance and now the government must come to terms with it somehow. The fact is that the eight people who addressed the Movement for a Democratic Slovakia [HZDS] club took the fate of the republic in their own hands. This put the government into a very annoying situation in which it is a minority government and many political parties today bring this calculation on the market.

Not all the crisis phenomena which are going on in the republic are connected with Meciar's name. Not all the crises which have passed are connected with the name of the HZDS. Then we shall either overthrow the government or we shall have new elections, and this topic will not stand in our way. That will, however, be a different Slovakia and a different political orientation of Slovakia. I know about all this, I register it, and I adjust my work accordingly. Conflict with the parliament is not possible. Today no acute confrontations with parliament, which were normal in the past, are possible. I must understand the realities of life as they are, I must understand that essentially each month I will defend the position of some member of the government or of the government as a whole. [passage omitted]

[Mrazova] I am aware that you intend to assess the last week's trade union rally at a session of the Council of Economic and Social Accord that is to take place next week [passage omitted] I would be interested to know your opinion on the rally and what, in your opinion, the role of trade unions is in a democratic society? Do you consider them to be political organizations or not?

[Meciar] As soon as a trade union becomes a political organization it turns into a political party in fact and cease to be a trade union. Our present trade union leadership very often gets into the position of a political party. That is an objective fact. They go beyond the borderlines of social struggle.

The trade union rally was an event organized by the trade unions and is fully legitimate. However, I want to point out something else: the conclusions of this rally, the philosophy that ensues from them.

The trade unions turn to the government saying: Do this, accomplish this, make that happen. Why not say: Let us do this, let us accomplish this, let us make that happen, let us join our forces?

Why do the trade unions put themselves into the position of a critic? Why do they shirk responsibility for the situation that exists? Those who voted for us are their grassroots. [passage omitted]

When considering the trade unions' position in Slovakia the trade unions have to admit, however critical they are, that of all the countries around us, of all the states of the

East Bloc, the Government of the Slovak Republic is the most sensitive to social issues. It is a government with the most positive and accommodating approach to trade unions. The trade unions have invited experts from international headquarters to come here and they were of the same opinion. After having compared the Czech Republic and Slovakia the experts said that the trade unions in Slovakia work under conditions that came as a surprise by their democratic and accommodating character. Other governments do not even want to hear about social issues. So the trade union supporters should think twice. Their leadership will probably not change its philosophy. The efforts to confront the government will probably continue. I am very sorry for all of this.

[Mrazova] Could you attempt to outline your relationship to the opposition? Do you perceive it only as something that complicates the way you govern, or is it also a contribution for you in some way? In this context I refer to your recent meetings with opposition representatives.

[Meciar] Plurality of a political system is an inevitable condition if the mechanism of society is to work. [passage omitted]

The opposition pushes the government to take care not to become lazy. It controls the views and stances of the government. You would not believe how carefully I read every single view put forward by the opposition on the government's policy and I am looking for a better way out than the one proposed by us. What I see is that these opposition structures have not matured yet. [passage omitted]

We are looking for those to cooperate with, as cooperation is inevitable—also possibly on a coalition level. We are also trying to determine in advance with whom it will not be possible to cooperate. [passage omitted]

We have to ask whether the time is ripe for those parties which lost the election all of sudden to enter the parliament and gain a representation in the parliament through a manipulation with deputies. In this way we in fact deform the election results. It is necessary to say that if we, the HZDS, support this practice we would draw people from other parties to us, too. Is this what we should do? Is this the building of the stability of the political system? [passage omitted]

The struggle which takes place on the political scene, concerning the content, is not the struggle for a citizen. It is not the struggle for a state. This is a struggle for who is sitting in which stable. If this takes priority, I am very sorry about all this and consequently our young democracy is very fragile. If I have so far succeeded in coping with various attacks it is to stop people worrying about stables and to have those who care for the good of the citizens enter the scene. I see the purpose of the struggle in this.

This is the struggle for Slovakia's orientation, too. It is necessary to state clearly that unlike in other countries Slovakia's policy is centrist and slightly to the left. Other countries' trend to move radically to the right, a radicalism which has become rather significant everywhere around us—this radicalism represents a threat to Slovakia. It has not yet appeared on our scene but I can see it emerging, I can see its representatives. [passage omitted]

[Mrazova] After what you have just said, I need to ask you, Mr. Prime Minister, whether you perceive yourself, in your position of prime minister, to be the guarantee of democratic development in Slovakia?

[Meciar] I would put it differently—what undemocratic step have I taken? Let anyone tell me whether there is any occasion on which I violated a person's right; how did I violate this country's interests? [passage omitted]

When looking at the development of democratic spirit—who initiated the Constitution? We did. Who initiated laws which guarantee the political system? We did. Who is behind the initiatives which I also put forward to the National Council yesterday to protect political parties against corruption, to protect our state against corruption?

Thus, in addition to an economic struggle, or behind an economic struggle, there is also a hidden political struggle here. I do not believe that our citizens would like to see [former Slovak Prime Minister] Carnogursky in the government again. I do not believe that Knazko can succeed in creating a situation which would enable someone else to gather power on the streets. I do not believe that politicians around Peter Weiss [chairman of the Party of Democratic Left] do not see what is really happening in this country.

Thus all this completes the country's political profile. We have stood and continue to stand in the center. We guarantee the development of the democratic political system—and I personally also guarantee it.

Kovac Rejects Criticism of Presence at Museum

AU2604153393 Prague CTK in English 2104 GMT 22 Apr 93

[Text] Washington April 22 (CTK)—Slovak President Michal Kovac dismissed the criticism of his participation at the opening of the Holocaust Museum in Washington at a press conference in the National Press Club today.

The Israeli Association of Czechoslovak Immigrants protested on April 21 against Kovac's presence at the opening of the Holocaust Museum on the grounds that he has never dissociated himself clearly from the Nazi-sponsored Slovak state and its president, Jozef Tiso, and that he had anti-Semitic advisers.

Kovac noted that the Slovak Government had apologised to the victims of Jews' persecution.

We are trying to set right what can be set right, because the number of victims was awful, said Kovac and stressed that by his presence at the ceremony he wanted to express his deep respect to the victims of extermination.

Slovakia has nothing to do with the Slovak state which existed between 1939 and 1945. It is one of two equal successors to the Czechoslovak Federation. It is not possible to speculate about the existence of the Slovak state, as it was just reality. Both me and the Slovak Government have expressed the view that its regime was shameful, Kovac said.

President Tiso was a tragic figure in the Slovak history. The fact that his role is currently being discussed results from the fact that it had not been possible to discuss about anything for 40 years. It is just a matter for historians, but not in the least for current Slovak politicians, Kovac said.

The Slovak Government is interested in preserving economic stability and in coping with current troubles connected with the change of the economic system, Kovac declared.

The Slovak Government wants to privatise the nuclear power plant in Mochovce, currently under construction in West Slovakia. It wants to settle the dispute with Hungary over the Gabcikovo water project with the assistance of the International Court of Justice in The Hague and of experts.

The Slovak Government has always sought not to harm the Hungarian-Slovak relations by the Gabcikovo dispute, and it is trying to transfer it from the political to the expert level, Kovac said.

Slovakia is greatly interested in minimising the consequences of the water project construction on the environment. The Slovak Government shares the opinion that the liquidation of the water project would cause more harm than its operation, Kovac stated.

The Slovak Government would be happy if there were no nuclear power plants on its territory. But due to the reduction of thermal power plants, necessitated by their impact on the environment, and due to the Gabcikovo issue, there is no solution but to complete Mochovce nuclear power plant. As the Slovak Government is short of money, it wants to privatise it, Kovac said.

Kovac said that Slovakia had some economic troubles. But the 1992 balance of trade ended better (70 million USD deficit) than the international monetary fund experts had estimated (300 million USD deficit). In January-March 1993, a slight surplus was recorded.

The law on bankruptcy is to come into effect this year, which will probably cause the liquidation of many enterprises. This will result in a declining production and increasing unemployment. But the government wants to keep the exchange rate of the Slovak crown. It expects a 17 to 18 percent inflation, a fairly good figure in the region, Kovac said.

Meciar on Minority Issues, Troops for Yugoslavia

LD2504191393 Bratislava STV 1 Television Network in Slovak 1710 GMT 25 Apr 93

[Regular Sunday television address by President Vladimir Meciar—live or recorded]

[Excerpts] Good evening, esteemed fellow citizens: The way the Slovak Republic turns toward the EC and its integration into west Europe has become a strategically undeniable goal. The credibility of the Slovak Republic is important because it is on this credibility that the West European readiness to conclude agreements, to set quotas, to permit export, to grant loans, and so on, will be based. All these issues are to a certain extent beset with problems at the moment.

The most basic issue Slovakia is currently solving and has to resolve to secure its West European partners' trust is that of national minorities. [passage omitted] The constitution of the Slovak Republic contains important provisions on national minorities. Views from the outside differ on how these rights are observed. Foreign countries have continued to berate Slovakia's attitude toward the Hungarian national minority. [passage omitted]

We should have been admitted as a member to the Council of Europe in May on the basis of the conclusions made abroad on Slovak treatment of the minorities. I deliberately say "should have been," because both as a consequence of our mistakes and the constantly presented new doubts, the issue of admission has been postponed till June. Unless we resolve the issues by the end of June, the delay will be even longer. The admission of the Czech Republic has been postponed at the same time. The Czech Republic has acknowledged this as a fact, and on the whole had no objections. [passage omitted]

Europe adopted certain principles on the position of minorities. We have accepted these principles in their entirety in the constitution of the Slovak Republic, namely in Article 34, which speaks of the rights and position of minorities. All citizens of the state are equal. When we speak of the protection of minorities' rights it is because these people do not form a majority but a minority in society. That is why the law gives them extended protection in order to protect their identity.

At the same time, the law says that the implementation of minorities' rights must not go counter to the interests of other citizens of the Slovak Republic. To openly say what is involved—this means that even in the nationally mixed territories Slovaks cannot become a minority. Such an approach to them cannot be taken.

It is also necessary to openly say that the issue of international rights is also a matter of guarantees. Of course, Europe has not resolved all problems yet. The legal system will continue to develop and the constitution of the Slovak Republic is open. If minorities' rights become extended, compared to the present status, we will accept them. When we speak of joining the Council of Europe, it is also in the interest of the protection of minorities' rights. [passage omitted]

We are in favor of the international control on the observation of these rights being made more thorough. The EC high commissioner on national minorities recently visited here. We had a long, very sincere talk together. The conclusion of that talk was that I suggested to him that the EC should develop a control mechanism to oversee for a two-year period the position of the Hungarian minority in Slovakia, and at the same time also the position of Slovaks in Hungary. Based on such a control mechanism, the policy of both states should be assessed. The ensuing comparison and the resolutions should then be drafted by EC bodies.

Mr. Van der Stoel, to whom I presented these proposals, then visited Mr Antall, who also accepted them. The government of the Slovak Republic last week adopted these documents by way of a resolution. We subject ourselves to the international control of our own will.

The final report by Mr. Van der Stoel says that if there are problems, these concern the Romany minority. The problem lies in the fact that this minority is loosing its identity. Its members claim allegiance to other ethnic groups. In the south of Slovakia, for example, most of them claim to belong to the Hungarian national minority. The problem lies in their social status, in the level of education. In this area, there are real problems that need to be addressed. [passage omitted]

A few days ago, we heard a report about a tragic death of a member of the Czechoslovak troops in Yugoslavia. All of us were deeply shaken by this. A death of our person in another country has greatly affected us, as he died in service, serving the peace in our country too.

Despite this, the formation of a battalion to help in Yugoslavia has been going on. However, the government of the Slovak Republic has not approved a proposal to form yet another infantry battalion of 500-900 men. We did not recommend the formation of such a unit above all because of economic reasons, and we did not approve it.

We are also helping the Yugoslav people in other ways. There are 1,987 citizens from Yugoslavia on our territory and we guarantee to take care of them until the end of 1993, and after that too, depending on developments in their country.

The Yugoslav lesson is important for us also as it teaches us to appreciate peace, good relations, a policy that does not sow hatred, and efforts toward reaching a neighborly agreement, in a way that puts the condition of being a human being before the mother tongue.

Thank you for your attention.

Kovac Views Current Social, Economic Prospects

LD2404054293 Budapest DUNA TV in Hungarian 1700 GMT 23 Apr 93

[Interview with Slovak President Michal Kovac by unidentified correspondent in Bratislava Castle; date not given; from the "Central European Magazine"—live or recorded]

[Excerpts] [Correspondent] Mr. President of the Republic, where would you put the separation of Slovakia and the Czech Republic in the contemporary history of Europe?

[Kovac] I am of the view that the peaceful ceasing of the joint state of the Czechs and Slovaks based on agreement and the formation of the two independent sovereign states is a positive democratic phenomenon in Central Europe, for the existence of the joint state in this region of Europe meant a potential tension source. This tension source could be eliminated by the forming of the two states. [passage omitted]

I reckon that the conditions are favorable for a peaceful coexistence between the Hungarian fellow-citizens and the Slovaks. For in the independent Slovakia we guarantee democratic progress, we are building a legal state. No endeavors that would limit tolerance and make impossible the good coexistence of people of different nationalities, political conviction or political affiliation exist or are kept in secret.

[Correspondent] Mr President, do you see any obstacle to the invalidation at last of the resolutions of the Kosice government program formulated in 1945 and aimed at the elimination of the Hungarians living here?

[Kovac] Hungary, the Slovak Republic, and the Czech Republic all have plenty to do to solve the existing economic, social and other troubles. We also have a lot of common tasks, for we have to unify our endeavors in order to join the European economic, political and security systems. Thus I think that these are the ultimate tasks at the moment and in my view the governments of the individual countries are also focusing on these. When we have solved these tasks then perhaps the time will be appropriate to go back to the clarification of the injustices following the second world war.

[Correspondent] How does the planned new Slovak bill intend to solve the minority issues that are still open today?

[Kovac] First and foremost we will strive to define the problems in coexistence together with the representatives of the national minorities. [passage omitted] At the same time we also agreed to work out a comparative study apart from the concrete wording of the problems. In that we wish to analyze how the constitution of the slovak republic guarantees the rights of the national minorities and how it corresponds to international traditions. We will start to work out the bill on the rights of the national minorities after this.

[Correspondent] Mr president, do you see any chance for the education to fall increasingly under self government control, as it would perhaps guarantee a fuller autonomy of culture and education?

[Kovac] The basic principle of citizens' self government is that it must guarantee equal opportunities to every citizen living in the Slovak republic. I hope that greater and greater scope of authority and competence will be shifted from the ministries to the new regional organs to be formed but also to the already existing villages and towns. Yes, we are of the opinion that creating a new administration in the southern part of the Slovak republic will be an important element of the satisfactory settlement of the situation.

[Correspondent] Mr president, you perhaps agree that in our region there is need of some kind of cooperation against the challenge of the more developed west. If it is so then Slovakia's reticence regarding the Carpathian Euroregion requires some explanation.

[Kovac] In my view it is not about reticence but the fact that the Visegrad Agreement provides an adequate opportunity for the political cooperation of the region's states. [passage omitted] Parallel with it, we of course support close economic, trade and cultural cooperation between the individual border zones. It is our interest that these regions make the fullest use of their economic potential. Our border zones enjoy full government support in this issue. [passage omitted]

[Correspondent] Mr president, you too obviously consider it important that the Hungarian-Slovak state treaty be made as soon as possible. Which are Slovakia's most significant viewpoints in the working out of the basic document?

[Kovac] It is our interest, too, that the basic treaty be made as soon as possible. At the same time it is also our interest that the agreement guarantee the possibilities of the improvement of good-neighborly and friendly relations between the Hungarian and the Slovak republics. It would presumably be reassuring, mainly for the Slovak side, if the agreement laid down that the borders cannot be changed, and all those principles which guarantee full cooperation, friendship and development between the border zones. We strive for this and I myself firmly believe that the political factors on both the Hungarian and the Slovak sides do their best to create a favorable political atmosphere, to sign and ratify an adequately prepared treaty.

Unemployment to Reach 18 Percent by Mid-1993

AU2304135593 Prague CTK in English 1259 GMT 21 Apr 93

[Text] Bratislava April 21 (CTK)—After the law on bankruptcies comes into effect, unemployment in Slovakia will reach 18 percent by the end of the first half of 1993, Slovak Minister for Labor and Social Affairs Olga Keltosova said at a press conference yesterday.

The Slovak Government is preparing an amendment to the law of bankruptcies which has not come into effect yet.

It will be a six percent increase over 1992. The forecast for January to June 1993 is also gloomy for other indicators, as it suggests 13 to 15 percent inflation, and a 12 percent increase in the cost of living. This will cause another 60,000 households to sink below minimum living standards, Keltosova said.

The number of long-term unemployed is on the rise. This affects in particular people with elementary and high-school education and with vocational training.

The average length of unemployment registered by the labor offices was 229 days in 1992.

Time Needed To Implement New Sanctions

LD2604135593 Budapest MTI in English 1303 GMT 26 Apr 93

[Text] Budapest, April 26 (MTI)—It could take one or two weeks for Hungary to fully implement a United Nations Security Council resolution that further tightens sanctions against Yugoslavia.

A Hungarian inter-ministry commission for coordinating implementation held a session last Friday [23 April].

Security Council Resolution No. 820, adopted on April 17, which took effect on Monday, orders a significant tightening of sanctions against Serbia and Montenegro due to continuing aggression against Bosnia.

Under the resolution, all goods deliveries by rail, road or water via Yugoslavia must be licensed first. A ban has been imposed on all claims of Yugoslav authorities and companies, and all Yugoslav transport vehicles will be confiscated. Sanctions are extended to services, except for telecommunications, post and legal services.

According to diplomatic circles in Budapest, implementing the sanctions needs complex preparation. Certain measures, like restrictions on licensing transit deliveries, can be implemented faster than others.

However, difficult tasks include introducing restrictions on services. Also, implementing the sanctions may require modifications to legal regulations.

Jeszenszky Expects Judgement To Favor Hungary

LD2604201793 Budapest MTV Television Network in Hungarian 1800 GMT 26 Apr 93

[Interview with Foreign Minister Geza Jeszenszky by unidentified correspondent; place and date not given—live or recorded]

[Excerpt] [Passage omitted] [Jeszenszky] There is no question of [the National Assembly] adjourning. The general debate was closed. I am not pleased that the decision was left for next week but these proposed amendments will not influence the vote decisively. I listened to this debate with interest. The Hungarian Government, especially the Foreign Ministry, is not the only one concerned. I do not think today's debate was the grand debate on the question of Gabcikovo. I would have considered it more fortunate if this debate concentrated on what is under question, the statement on the undertakings. But I am confident that the partial criticisms of the Hungarian Government are largely without foundations and for the future generations as well we obtained the maximum within the possibilities.

[Correspondent] The question is will The Hague Court consider in connection with Gabcikovo the diversion of the river, affecting also the border of the country?

[Jeszenszky] The Hague Court will discuss this. This is among the questions. It is therefore not advisable, indeed not possible, to amend them. So it is not through amendments that the very important Hungarian legal view, which concerns the diversion as well as is affecting the border, should prevail. It is exactly The Hague Court which is the forum where I think a substantive, and for us a favorable answer will be found.

Fur Says No Armed Intervention in Yugoslavia

LD2304204293 Budapest MTI in English 1819 GMT 23 Apr 93

[Text] Budapest/Bratislava, April 23 (MTI)—It would be wrong for any country to persuade the former Yugoslavia's neighbours into an armed intervention in the South Slav crisis, Slovak Defence Minister Imrich Andrejcak said at a press briefing held jointly with Hungarian counterpart Lajos Fur on Friday.

Fur said it is a vital interest to Hungary that the hotbed in the Balkans should be cooled as soon as possible, but he assured everyone that Hungary does not seek to, and will not intervene with arms under any circumstance.

'We are ready to support all other efforts aimed at a peaceful solution,' Fur said.

Balsai Views Investigation of Past Crimes

AU2304132393 Budapest MAGYAR HIRLAP in Hungarian 22 Apr 93 p 4

[Interview with Justice Minister Istvan Balsai by Karoly Lencses; place and date not given: "Political Responsibility Has To Be Established in Every Case"]

[Text] Political responsibility has to be established in every case, even when the given case cannot be evaluated by criminal law or the tools of law cannot be applied to it, Istvan Balsai said. We asked him what would justify the involvement of a parliamentary special committee in the investigation of crimes committed in the past system, when the law on the provision of justice has already been enacted and a committee consisting of historians has already been set up.

[Balsai] In the past, the government has suggested setting up a parliamentary committee to investigate the crimes and other legal violations committed in the previous regime and reveal the responsibility related to this, but Parliament did not wish to discuss this at the time. Later, the president of the Republic and certain factions and deputies suggested the same thing. Our opinion is, therefore, that Parliament is now also requiring that a special committee be set up. However, someone also has to volunteer to make the preparations and to submit the proposals to Parliament. As a matter of fact, in my view, this work will also have to be continued in the next electoral period.

[Lencses] Does the recently accepted law on the provision of justice offer a satisfactory solution?

[Balsai] When we were drawing up the government proposal, we started from the premise that, unless the Constitutional Court declared it unconstitutional, the law on the provision of justice would provide an opportunity to proceed in cases of war crimes committed during the events in 1956, but would not facilitate the investigation of other violations of law. At the same time, it is public knowledge that violations of law were committed both before and after 1956, most of which are now subject to the statute of limitations. At the same time, political responsibility has to be established in every case, even if the case cannot be evaluated by criminal law or if the tools of law cannot be applied to it.

[Lencses] Is this precisely the task of the expert committee that was set up on the initiative of the Justice Ministry?

[Balsai] Although our committee consists of historians, its main task is to provide evidence for later criminal proceedings.

[Lencses] In other words, will they render help to the investigations ordered on the basis of the law on the provision of justice?

[Balsai] That is the main point. Several cases cannot come under the jurisdiction of the courts, yet the public rightfully demands the establishment of responsibility. The special committees that were suggested by the government and that are to be set up by Parliament have to act in these cases.

[Lencses] However, the parliamentary committees' sphere of authority does not, at the moment, extend to hearing witnesses or to obliging them to cooperate or tell the truth.

[Balsai] Indeed, the parliamentary rules do not give possibility for all these. Witnesses could not even be called in. For this reason, an expert committee is working on discovering how this special committee could be endowed with rights similar to those of investigating authorities. We want to submit this material to the government, and it is possible that we will also show it to the factions.

[Lencses] Will the committee only establish political responsibility, or can the uncovered facts have any legal consequences?

[Balsai] It is not yet possible to answer this, but it is certain that, in this way, those who are responsible but who cannot be prosecuted through criminal proceedings can also be named. In my view, this is still quite an achievement.

[Lencses] Can the work of the special committee extend to investigating certain economic decisions made during the previous regime?

[Balsai] I do not know what the committee will endeavor to do, but we would like to submit a proposal that interprets political responsibility in a broad sense. Therefore, I think that it would be fortunate if the investigations were extended to the process of economic decision-making—let us just consider the Eocene program [not further specified, possibly relating to coal mining] which consumed many billions [currency not specified].

[Lencses] When can we expect the proposal to be submitted to Parliament?

[Balsai] The draft text is complete and we would like to make our proposals public in May at the latest.

[Lencses] What kind of decision can Parliament make on this issue? Will there be a parliamentary resolution?

[Balsai] I believe that the source of the law will indeed be ae parliamentary resolution. This will also determine the procedural section and the establishment of the committee which in my view should be set up according to the parliamentary power structure.

Minister Schamshula Views Road Construction

AU2704065293 Budapest NEPSZABADSAG in Hungarian 23 Apr 93 pp 1,6

[Interview with Gyorgy Schamschula, minister for transport, telecommunications, and water affairs, by Attila Kapitany; place and date not given: "Western Entrepreneurs Also Export Their Interests"]

[Excerpts] The implementation of one of the most important infrastructural investment projects of the past years has recently come closer to reality. However, the construction of another three highways has to follow the signing of the license agreement on the construction of the M1-M15 highway. Our correspondent interviewed Gyorgy Schamschula. [passage omitted]

[Kapitany] What possibilities do you have to acquire further budgetary and other resources?

[Schamschula] The establishment of the road fund and the water affairs fund was one of my predecessor's good ideas. Loans can be taken out on the basis of the money that comes into these funds. Through this, it is possible to involve foreign and budgetary financing in the planned investment. The financing of the M1-M15 highways is an example of this—some 40 percent is from Hungarian banks and about another 40 percent by foreign banks. The remaining part is covered from the road fund. This means that we have managed to get an 80 percent loan on 20 percent road fund. This is very significant because Hungary's more than $20 billion foreign debt has to be serviced and this takes a very large amount of money out of the country. The involvement of foreign investors reverses this process. In addition, we would also like to use as many domestic resources as possible. Through this, we would increase the profits of domestic banks and their investors, not to mention the fact that the population's rather inactive savings can also be mobilized for the economy.

[Kapitany] The state has a minor role in the construction of the M1-M15 highway. According to the experts, under these circumstances, it will be impossible to implement the future program of public road development. What are your views on these worries?

[Schamschula] In my view, the arguments do not support this. Two foreign corporations are competing for the Danube bridge at Szekszard. A serious interest is also being shown in the construction of the M3 highway. It is evident that there is no lack of foreign interest. The definition of the conditions is more of a problem. The utilization of the Hungarian labor force and Hungarian products has to be a basic criterion of the investment. However, foreign investors mainly try to assert their own interests. They would like to use their existing labor and raw material bases. However, my goal is to use as much domestic labor as possible. Therefore, we have to determine the conditions for foreign corporations to participate in Hungarian investment.

[Kapitany] You have mentioned a number of times that the employment of Hungarian public workers has to be ensured in the implementation of domestic investment. How can the corporations be forced to do this?

[Schamschula] The wording is wrong. Public work in my understanding is the implementation of large investment that serve the public interest. This is investment that serves the good of the whole country, such as highways, bridges, and railroad lines. No one is saying that the unemployed will be directed to the construction projects. Hungarian experts and enterprises have to be involved in the investment, thus facilitating the survival and development of enterprises that are suffering from a lack of orders. [passage omitted]

Environmental Cooperation Planned With Turkey

LD2604172093 Budapest MTI in English 1554 GMT 26 Apr 93

[Text] Budapest, April 26 (MTI)—Hungary and Turkey made a general environmental cooperation agreement in Budapest today.

The agreement, to be broken down into annual work programmes, covers environmental legislation, privatization, economic regulation, urban and rural environmental issues, combatting air pollution, sewage treatment, delivering hazardous waste, protecting geological assets, and developing tourism.

The agreement was signed by the two countries' state secretaries in charge.

Headed by State Secretary Ozger Akad, the Turkish delegation today met Sandor Papp, deputy chairman of the Parliamentary Committee on Environmental Protection.

Papp told them about the committee's work, and Hungary's bill on environmental protection.

Labor Statistics Show Decreased Unemployment

AU2604195793 Budapest MAGYAR NEMZET in Hungarian 23 Apr 93 p 9

[Unattributed report: "Significant Regional Differences—Unemployment Has Decreased"]

[Text] The number of registered unemployed decreased by 7,500 and the number of people receiving unemployment benefits decreased by 9,700 in the last month, the National Labor Center said on the basis of final statistics.

At the end of March on closing day, out of the 697,585 registered unemployed people some 492,455 received benefits. The rate of unemployment—the proportion of economically active people and unemployed people—decreased from 13.6 percent in February to 13.4 percent.

According to the Labor Center, it is likely that unemployment will continue to decrease in the coming three months until people who enter the job market for the first time appear. The seasonal upturn in the western regions and around Lake Balaton and a slight economic recovery are given as reasons. An increasing number of unemployed people are getting involved in retraining and communal projects. During these periods, they are not considered as registered unemployed, although they continue to be on the records.

The number of newly registered unemployed and those to be dismissed has decreased, and the number of people finding jobs has increased.

The rate of unemployment continues to be very different in various parts of the country. It is over 22 percent in Szabolcs-Szatmar-Bereg, some 21.9 percent in Nograd, and 20.5 percent in Borsod-Abauj-Zemplen. Budapest has 6.6 percent. In Gyor-Moson-Sopron, it is only 8.3 percent and in Vas county it is 9 percent, according to MTI information.

Walesa, Clinton Discuss Aid for East Europe

AU2604130493 Warsaw GAZETA WYBORCZA in Polish 22 Apr 93 p 1

[Report by Washington correspondent Jacek Kalabinski: "Homage by Thirteen Presidents"]

[Text] Twelve presidents of European countries plus the U.S. President are attending today's opening of the Holocaust Museum in Washington. Lech Walesa, accompanied by an exceptionally large entourage, a television team from the Belveder palace, and over 20 journalists, landed at Andrews Air Force Base outside Washington sometime after midnight Polish time on Wednesday.

President Clinton held separate meetings only with the presidents of Poland, the Czech Republic, and Israel.

President Clinton's meeting with President Walesa in the Oval Office of the White House lasted one hour and twenty minutes.

Shortly before the meeting, GAZETA WYBORCZA asked President Clinton: "Would you consider a proposal to send U.S. aid to Russia via Poland and other East European countries?"

"This is the first time I have heard about it," replied Clinton.

"You will hear about it from President Walesa," was our reply, to which Clinton responded: "I am prepared to consider anything that stems from President Walesa. Poland has displayed admirable leadership on the road to democracy and reform. I think U.S.-Polish relations are very important. The United States cannot afford to terminate aid for Poland and support for the reforms in Poland and other countries, not even when it is trying to increase aid for democracy in Russia."

At this point President Walesa joined in, saying: "Poland needs money less than it needs the United States, with its U.S. firms. Doing business together that will help Russia is not something that is aimed against Russia."

The proposal to send U.S. aid for Russia via the East European countries, which Walesa mentioned three days ago while hosting U.S. Vice President Albert Gore in Warsaw, was not previously consulted with Russian President Boris Yeltsin, who, according to Walesa, is preoccupied with Russian political problems.

GAZETA has learned that one of the chief topics touched upon by President Walesa was the necessity for a continued strong U.S. political, military, and economic presence in Europe.

President Clinton did not relate to the suggestion that a considerable part of aid for Russia be conveyed via East European countries.

At a news conference attended by numerous journalists from Poland, the United States, and the entire world, President Walesa gave a concrete reply only to one question. He said that right now, in connection with the continuing instability in East Europe, Radio Free Europe should not be closed down. The president did not reply to any other questions, with the minor exception of a question about a group of 12 demonstrators from the "Emigre Poles to the Rescue of the Nation" organization, which had organized a small but noisy demonstration on the lawn in front of the entrance to the White House. The demonstrators carried banners proclaiming "I do not want to, but I must" [once uttered by Walesa in connection with becoming president], "Olszewski for President," and "Free Dobrzynski." They had received police permission to hold this demonstration. Asked about the presence of these demonstrators, Walesa said that it merely confirms his strength and effectiveness, because no other president attending the opening of the Holocaust Museum has had a demonstration against him.

The absence in Washington of the German president and chancellor is conspicuous. Germany is represented only by Foreign Minister Klaus Kinkel. Germany wanted the Holocaust Museum to contain a room devoted to the construction of German democracy after World War II, and offered many millions of marks to pay for it. The museum refused, so Bonn decided that it would be represented only at lower level.

Vaclav Havel's talk with Clinton on Tuesday lasted over one hour, and its main topic was the situation in Bosnia. At a news conference, Havel told journalists that the Czech Republic is in favor of more determined action in defense of Bosnia, including the use of military aircraft to bomb the Serbian forces.

Lewandowski Vows To Resign Unless Privatization Accepted

LD2704151893 Warsaw PAP in English 1432 GMT 27 Apr 93

[Text] Warsaw, April 27—Privatization Minister Janusz Lewandowski has threatened to resign unless the new version of the government's mass privatization programme is accepted by the Sejm (lower house). The second reading of the bill is planned for Thursday.

At a press conference in Warsaw on Tuesday, Lewandowski added that he did not exclude the possibility that the liberals would leave the government coalition if the Sejm rejected the bill on the national investment funds and their privatization. He stressed, however, that he did not want to speak for the whole parliamentary floor group of the Liberal Democratic Congress (KLD).

Lewandowski stressed that the new version of the privatization programme retains the strategic thought of the first version and takes into account motions voiced during parliamentary debates and work of the Sejm committees. The programme is still aimed at finding owners for several hundred big enterprises and providing an opportunity for citizens to participate in the privatization.

According to Lewandowski, voting on the government's mass privatization programme will be a test for parliament. "It will show whether (the programme's) critics are open to arguments of supporters of the programme, mainly the enterprises which await privatization, or whether they will decide to sacrifice the programme for political comfort."

The minister added that it is difficult to foresee the result of the Thursday voting. According to him, the mass privatization programme is threatened by a minority motion put forward by the Christian National Union (ZCHN) and the Confederation for Independent Poland (KPN), proposing the participation of children in the programme. Altogether, 29 minority motions have been put forward.

The draft privatization law will be considered by the Sejm as urgent which means that during voting only motions which had been previously proposed will be taken into consideration. After the bill is approved by the Sejm, the Senate will have a week for taking a stand on it and the president will get another week for signing it.

Polish, Latvian Prime Ministers Sign Agreement

Economic Focus of Agreement

AU2704125493 Warsaw PAP in English 1345 GMT 26 Apr 93

[Text] Warsaw, April 26—The prime ministers of Poland and Latvia, Hanna Suchocka and Ivars Godmanis on Monday [26 April] signed an agreement on bilateral support and protection of investments.

Prime Minister Hanna Suchocka said that talks focused on economic issues, especially agriculture, privatization and public spending as well as on pension transfers and health insurance.

The Latvian prime minister said that the agreement is "one more important stage in the development of Polish-Latvian cooperation" and reminded that mutual relations are regulated by a treaty signed by the two countries last year in Riga.

He also emphasized the similarities between both countries' economic problems and added that latvia is impressed by polish achievements in the field of the economy restructuring which are "the result of the shock therapy."

Premier Suchocka pointed to the animation of Polish-Latvian economic relations which show a threefold increase of trade turnover between the two countries since 1991.

Suchocka on Talks With Godmanis

LD2604161593 Warsaw Radio Warszawa Network in Polish 1400 GMT 26 Apr 93

[Text] Prime Ministers Hanna Suchocka and Ivars Godmanis have signed in Warsaw a Polish-Latvian agreement on mutual promotion and protection of investments. Plenary talks took place before that. This is Prime Minister Hanna Suchocka speaking.

[begin Suchocka recording] The talks were mostly on economic problems during the period of the so-called economic transformation. Poland really wants to maintain relations with neighboring countries and Latvia is one of them. That is why we are pleased with the fact that trade between Poland and Latvia grew threefold between 1991 and 1992. The talks concentrated on the problems of resolving agricultural matters and also on the link between the processes of privatization and the processes in the social sphere. We also talked about the transfer of old age and disability pensions between Poland and Latvia. The Latvian side promised to deal with this problem after parliamentary elections. [end recording]

Luxembourg's Grand Duke Meets With Polish Leaders

Meets With Walesa

AU2704123893 Warsaw PAP in English 2124 GMT 26 Apr 93

[Text] Warsaw, April 26—Jean, grand duke of Luxembourg began on Monday [26 April] his Polish visit with meetings with President Lech Walesa, Prime Minister Hanna Suchocka, Foreign Minister Krzysztof Skubiszewski and the Sejm and Senate deputy speakers.

The grand duke and his spouse Charlotta have come to Poland for a four-day official visit at the invitation of President Lech Walesa.

During a private talk on Monday afternoon, the grand duke and President Lech Walesa discussed the situation in Central and Eastern Europe following the collapse of the communist system, and spoke about the need for European integration. Lech Walesa presented the grand duke with the Cross of the Grand Order of Merited Service to Poland while the Grand Duke decorated the Polish president with the Cross of the Grand Order of Adolf of Nassau.

Following talks of the grand duke and the Polish prime minister which focused on economic assistance from Western Europe to postcommunist states, Hanna Suchocka said that she had been asked many times how to help Russia through Poland.

The Luxembourg visitor and Polish Foreign Minister Krzysztof Skubiszewski touched on political and trade relations of Poland and her eastern neighbours while the meetings of the grand duke and Polish parliamentary leaders centered on the role of Luxembourg in the process of Poland's integration with Europe.

The first day of the Polish visit by the grand duke of Luxembourg concluded with a dinner given by President Lech Walesa.

Meets With Suchocka

LD2604172893 Warsaw PAP in English 1642 GMT 26 Apr 93

[Text] Warsaw, April 26—Grand Duke of Luxembourg Jean on Monday met with Prime Minister Hanna Suchocka to discuss Western Europe's aid to the countries of the former eastern bloc.

The prime minister said after the meeting that "Western Europe is interested in helping the eastern states but simultaneously wants this aid to be effectively utilized."

Full Diplomatic Relations With South Africa

LD2604140093 Warsaw Third Program Radio Network in Polish 1300 GMT 26 Apr 93

[Text] As of today, Poland will maintain full diplomatic relations with the Republic of South Africa. President Frederic de Klerk has received the credentials of the Polish ambassador.

Mazowiecki Reelected UD Chairman

AU2604095093 Warsaw PAP in English 1944 GMT 25 Apr 93

[Text] Warsaw, April 25—Tadeusz Mazowiecki was reelected as chairman of the Democratic Union (UD) during the party's second congress held on Saturday and Sunday.

The congress also elected Wladyslaw Frasyniuk, Jacek Kuron, and Andrzej Celinski as deputy chairmen of the party.

The reelected leader told journalists Sunday that his party and the ex-communist Democratic Left Alliance (SLD) were not planning to expand the ruling coalition by including the SLD and that there had been no such proposals at all.

Speaking at the congress on Sunday, Mazowiecki appealed to the coalition and the opposition parties for "starting a serious political dialogue" on questions which are fundamental to the state. He reiterated the appeal in his closing speech and also warned that the Democratic Union "will not hesitate" to mobilize people of responsibility and reason in case this will be necessary.

The congress also discussed the party's programmatic questions. Finance Minister Jerzy Osiatynski (UD) called for making a better division between the powers of the parliament, the government and the president in the sphere of economy. He pointed out that the president's camp is developing institutions suggesting that the reaching beyond its actual jurisdiction is taking place. It is necessary to "draw clear-cut division lines between the powers of the parliament, the president, and the government," Osiatynski said.

The congress also discussed the party's relations with the church. Stanislaw Stomma was of the opinion that UD and the church are not "very far away" from each other because both have "the same goals" and the Catholics' perception of the world "is changing."

One of the congress's resolutions expresses concern over the recent attacks on Foreign Minister Krzysztof Skubiszewski as well as his policies. This criticism, it was said, is caused by the lack of "ability to distinguish the Polish reason of state from particular party interests and individual ideological outlooks."

The congress "voiced the hope that the present careful and balance policy would be continued."

Another resolution tries to save the much criticized ombudsman Tadeusz Zielinski by expressing "recognition and support" for him and opposition against all the efforts leading to his dismissal. The resolution emphasizes that the work of ombudsman should not be subject to political pressure. The congress's general resolution adopted on Sunday says that trends leading to the limitation of the powers of the prime minister (Hanna Suchocka, member of the Democratic Union) are unacceptable.

As the principal objectives of the Democratic Union, the congress mentioned the adoption of privatization and re-privatization bills related to the package known as the state enterprise pact, a new law on state property management, the implementation of the second phase of local governments' reforms, and the restoration of intermediate administrative units called powiats (counties).

Interior Minister Denies Eastern Mafia Presence

AU2704124893 Warsaw PAP in English 1552 GMT 26 Apr 93

[Text] Bialystok, April 26—Interior Minister Andrzej Milczanowski on Monday [26 April] denied the alleged existence of the so-called eastern Mafia in Poland.

Mafia means two things: The existence of organized crime and the possibility of exerting influence by criminal organizations on political life, he said. However, he admitted that threats posed by organized crime from the east are growing.

Milczanowski added that an agreement between the Polish and Belarussian Interior Ministries will be very helpful in combating the organized crime which often assumes an international character.

ICBM Launchers Discovered at Former Soviet Base

LD2604220093 Warsaw TVP Second Program Network in Polish 1900 GMT 26 Apr 93

[Text] Intercontinental missile launchers, a nuclear weapons store, and two tanks for (?semina), a rocket-fuel, have been discovered by a group of experts from the Military Technical Academy. Containers for the transportation of missiles have also been discovered. Military experts are carefully examining the terrain left behind by the former Soviet Army. Its recultivation will take decades and will cost almost 18 trillion zlotys.

[Correspondent Katarzyna Andrysiak] The two tanks with (?semina), a rocket-fuel, were discovered at the base in Borne-Sulimowo. There are also around 2,000 containers for fuel and oils in this extensive terrain. Their capacity is between 30,000 and 50,000 liters each. In another part of the forest a store for nuclear weapons has been discovered together with intercontinental missile launchers. At Kluczew the containers used to transport the missiles have also been discovered.

[Spychala] At this time one might be tempted to formulate two fundamental conclusions. The first, that on the examined terrain contamination by toxic battlefield materials and also radioactive contamination have not been confirmed. And second, that the most threatening element degrading the environment here is oil-based products.

[Andrysiak] Examination work is made difficult because the so-called clandestine complexes [kompleksy tajne] had no inventories drawn up when they were handed over. The photography of this terrain does not always allow for the type of contamination to be specified. Unexploded shells are frequently discovered, which apart from the enormous ecological damage, constitute a threat to life.

A cemetery has also been discovered in Borne-Sulimowe where soldiers sentenced by wartime courts [sady wojenne] were buried. The wartime courts with heightened discipline had jurisdiction over the Russian units stationed in Poland.

Attorney General's Office Issues Finance Crime Report

AU2704125093 Warsaw PAP in English 1215 GMT 26 Apr 93

[Text] Warsaw, April 26—The number of financial crimes registered by police and public prosecutors offices rose by almost 27 percent in the last year, while the number of investigations into those crimes increased by 6 percent, according to the report of the first assistant to the attorney general, Stanislaw Iwanicki, compiled for the Senate Human Rights Committee.

The report found that banking is the area most at risk from such crimes. Losses sustained by banks in 36 cases investigated by public prosecutors in 1992 amounted to 4.7 trillion zlotys ($285 million) which is about 7.3 percent of the budget deficit planned in June 1992.

Ban on Import of Czech Meat Lifted

AU2704155193 Prague CTK in English 1234 GMT 23 Apr

[Text] Warsaw April 23 (CTK correspondent)—The Polish Agricultural Ministry lifted today the ban on the imports and transit of live animals and untreated meat products from the Czech Republic, Slovakia and Romania, a Polish Agricultural Ministry spokeswoman told CTK.

Poland imposed on April 9 an embargo on the imports of meat and animals from the Czech Republic and other Central and Eastern European countries following the same move by the European Community (EC). But the Polish embargo, unlike that of the EC, did not regard dairy products.

The lift, which comes into force at 12:00 p.m., means that starting from Saturday [24 April] it is possible to export again to Poland animals and meat from the Czech Republic.

The lifting of the meat embargo followed the reception of the Czech, Romanian and Slovak veterinary documents testifying that foot and mouth disease did not occur in these countries and that the animals were not inoculated against it.

Polish Premier Hanna Suchocka promised to the Czech Premier Vaclav Klaus to lift the embargo as early as last Friday, but in the meantime Great Britain cast doubt on the imports of animals from the Czech Republic.

Poland then lifted the ban on meat imports only from Hungary, awaiting the clarification of the veterinary situation in the Czech Republic.

Chairman of the Press Section of the Polish Government Jacek Kozlowski told CTK that Poland strived for the best possible relations with the Czech Republic but it could not place political interests above the veterinary problem. The latter has now been solved.

Iliescu Praises 'Constructive' Dialogue With Clinton

AU2604175993 Bucharest ROMPRES in English 1553 GMT 26 Apr 93

[Text] Bucharest ROMPRES, 26/4/1993—Back from the U.S., Romanian President Ion Iliescu told ROMPRES he attended the ceremonies marking 50 years since the Warsaw Ghetto revolt and the inauguration of the Holocaust Museum in Washington. "The Romanian presence in Washington at a prestigious event was only an expression of our integration in the contemporary political life. We also made a point of stressing a clear delimitation from everything that might be unjustly associated with Romania."

President Iliescu assessed that the interview with President Clinton "proved constructive, allowing for a dialogue on the issues of equal interest to Romania and the United States."

"I stressed our interest in the relations with the U.S. on a political plane, in our geopolitical context, the preoccupation to ensure our own stability and the stability of our zone and to sustain the effort for being a factor of stability in the region, which both the President and the Vice President appreciated and shared," President Iliescu added.

About the meetings with American officials, the Romanian head of state said "I have been able to see a positive evolution as regards the understanding of the situation in our country, the tangible progress marked in our society on the path to consolidating the democracy and the efforts to cope with the economic difficulties. Interest was shown in the way how we view and settle human rights, national minorities' rights and the talks were confined to information and conducted as part of an open and good-will dialogue." "We show complete readiness to facilitate best and fairest possible knowledge of these problems," the president also said.

Government To Observe Yugoslav Sanctions

AU2604131893 Bucharest Radio Romania Network in Romanian 1000 GMT 26 Apr 93

[Text] Mr. Marcel Dinu, state secretary at the Ministry of Foreign Affairs, specified in an interview with our editor Raluca Dana Cotruta that, as decided at government meetings on Friday, 22 April, and Saturday, 23 April, the tightened sanctions decided by the Security Council will also come into force in Romania today.

In connection with the consequences of the application of these measures, State Secretary Dinu said that they will additionally affect our country's economy, since this is a continuity not only of the application of the sanctions but also of the economic losses.

The Ministry of Foreign Affairs and our country's mission at the United Nations are taking the necessary steps to receive compensation for these losses, Mr. Marcel Dinu specified. There is even a chance of creating a sort of Security Council subcommittee to examine this problem, but it is not certain that direct compensation for the losses suffered by all the countries that apply these sanctions will be granted in the foreseeable future.

Regarding allegations that Romania was not abiding by the UN resolutions on the former Yugoslavia, Mr. Marcel Dinu said that they demonstrate ill will, lack of knowledge, or a desire to disseminate news abroad that might create problems for our country.

To demonstrate that Romania is firmly applying the sanctions, State Secretary Dinu cited as an example the negative reactions toward our country expressed in Belgrade.

Embargo in Effect Excluding 'Military Involvement'

AU2704094293 Bucharest ROMPRES in English 0635 GMT 27 Apr 93

[Text] Bucharest, ROMPRES 27/4/1993—Approaching in an interview granted to the daily newspaper ADEVARUL the issue regarding the total embargo over Yugoslavia and other measures decided by international organisations, President Ion Iliescu stated that Romania will "go on further as far as the United Nations decisions are observed." "However, there does exist a limit which Romania is in no way willing to cross... And that is its military involvement," said Romania's president, adding that the same position is held by the Bulgarian president too, whom he recently met in Washington.

FDSN Chairman Gherman Ready To Resign

AU2304201893 Bucharest ROMPRES in English 1730 GMT 23 Apr 93

[Text] Bucharest ROMPRES, 23/4/1993—"In my opinion I have assumed responsibility for the leadership of the Democratic National Salvation Front (FDSN) only for a limited term. I will hand it over, as stipulated by the statute, at the National Conference of the FDSN," FDSN Chairman Oliviu Gherman told the plenum meeting of the FDSN National Council Friday, April 23.

The agenda of the meeting includes a presentation by Premier Nicolae Vacaroiu of the measures to be taken on scrapping state subsidies on 1 May and for the continuation of the reform, as well as to provide social protection for the population; a presentation by Justice Minister Petre Ninosu and Interior Minister Major-General Ioan George Danescu on the stage reached in carrying out the "national program" of fight against crime and corruption that was initiated by FDSN and approved by the government.

Another issue on the agenda will be the summoning of the FDSN National Conference.

In his statement Premier Nicolae Vacaroiu said the amount of the compensations plus indexation would reach 13,100 lei per employee and 7,860 per pensioner, and that the above amounts would compensate one 100 percent for the effect of price increases in electricity, heating, liquid and solid fuel, bread, milk, and butter. He said the 1 May scrapping of state subsidies would bring about a price rise of 29 percent, while the compensation plus indexation were an income increase of 30 percent. Premier Vacaroiu also showed that the state allowance for children would be considerably increased, to circa 1,600-2,770 lei a month. Food allowances in medical and social institutions are also going to be increased, as well as subsistence allowances and pensions for agriculture workers—the latter by about 1,000 lei.

"The 1 May moment is not simple," Premier Vacaroiu said, "but it must be regarded as an obligatory stage in the Romanian reform. The current levels of compensation and indexation are superior to those agreed upon in the three-week debates with the 12 trade union confederations, pensioners' associations, and Romanian employers."

Six trade union confederations refused to participate in the mentioned dialogue and asked for a mediation by the country's president over a much larger number of claims.

Surveillance Flights Planned Over Hungary

AU2704072593 Bucharest ROMPRES in English 1514 GMT 26 Apr 93

[Text] Bucharest ROMPRES 26/4/1993—According to the Open Skies Agreement between Romania and Hungary, valid since February 27, 1992, the Romanian party will perform a surveillance flight over Hungary from April 27 to 30, current year.

The flight will proceed from the Szolnok airport, with a Romanian AN-30 aircraft specially prepared for surveillance activities. The airplane will carry on board Romanian military experts as well as representatives of the Hungarian party.

A similar flight was performed by the Hungarian party over Romania from April 6 to 8, current year.

According to the agreement, such kind of flights will continue to be performed in order to support the mutual trust and the good-neighbourly relations, a release from the Army's Press Office informs.

Cooperation Protocol Signed With Germany

AU2504182593 Bucharest ROMPRES in English 1528 GMT 25 Apr 93

[Text] Bucharest, ROMPRES, 25/4/1993—During an official visit to Germany, on an invitation of German Federal Minister of the Interior Rudolf Seiters, Romanian Minister of Labor and Social Protection Dan Mircea Popescu has signed together with Mr. Seiters a protocol to the effect that the German side will support the setting up in Romania of small and medium enterprises. Romania will thus receive 750 thousand DM [German marks] and, depending on the results, will be further granted another 12 million DM.

On his arrival on Bucharest Otopeni airport, Minister Dan Mircea Popescu informed he had also had talks about the building of training centers in Romania, of the type already existing in the town of Arad (western Romania), in the towns of Timisoara (western Romania) and Sibiu (central Romania).

A last round of talks took place at the German Federal Labor Bureau about the Romanian workers in Germany—whose number must not exceed seven thousand. According to the German side's estimates there are now 17 thousand Romanians working in Germany, therefore the Germans will discontinue the granting of work visas for the following period.

Telecommunications Contract Signed With Japan

AU2304080593 Bucharest ROMPRES in English 1536 GMT 22 Apr 93

[Text] Bucharest ROMPRES 22/4/1993—The construction of the first fibre optics line, financed by EBRD [European Bank of Reconstruction and Development], which in January 1991 granted a loan to the Rom Telecom Public Corporation for the development of telecommunications, is one of the most daring projects in the strategy drawn up by the Ministry of Communications, said Dumitru Anghelescu, director-general of Rom Telecom at the April 22 signing of a contract of cooperation between the public corporation he is head of and Japanese firm, Tomen.

The projects will be achieved in 560 days. The digital systems that are part of it will have 1920 phone lines. The fibre optics cables will be laid and the equipment fixed by Romanian firms on the basis of subcontracts.

Average Salaries Rise in March

AU2604093893 Bucharest ROMPRES in English 0727 GMT 26 Apr 93

[Text] Bucharest ROMPRES, 26/4/1993—Average take-home salaries were of 37,146 lei in March 1993, 27.4 percent higher than in February, and 143 percent higher than last March, reported the National Statistics Board.

The employees were paid in March handouts for the months of January and February, which accounts for part of this important increase.

The unemployment rate stood at 9.5 percent of the active population, that is, 1,060,435 people, of which 58.8 percent women.

Industrial Production Grows; Overall Output Drops

AU2304201993 Bucharest ROMPRES in English 1737 GMT 23 Apr 93

[Text] Bucharest ROMPRES, 23/4/1993—The volume of the industrial production increased by 12.3 percent in March compared to February, said Alexandru Radocea, president of the National Statistics Board, at an April 23 press conference.

Figures were higher in March in comparison with February for 11 of the 29 industrial branches, and five branches reported outputs higher than in March 1992.

The [overall] production decreased by 12.7 percent this March on March 1992. Figures for the first two months of 1993 showed a 19.6 percent drop as against the similar period of last year.

The industrial production of the first three months of 1993 totalled 2,342.3 billion lei, of which 869.9 billion lei in March.

IAEA Experts To Inspect Cernavoda Nuclear Plant

AU2304201793 Bucharest ROMPRES in English 1814 GMT 23 Apr 93

[Text] Bucharest ROMPRES, 23/4/1993—On the request of the Romanian Government, the International Atomic Energy Agency (IAEA) has set up a group of international experts to draw a new analysis of the pre-operational stage of nuclear security—"Pre-Osart"—at the Cernavoda nuclear plant (south eastern Romania.)

The group is made up of experts from Brazil, Great Britain, France, Germany, Hungary, Pakistan, and the United States of America, plus four members of the IAEA Nuclear Security Department. They will arrive in Romania Saturday, April 24.

The group will analyze aspects that are essential for a safe functioning of the plant, and the conclusions of the analysis will be based on internationally accepted practice.

The analysis will take place over April 26-May 14, and is similar to a previous one made in 1990. It is in fact a second stage of the latter. The results will be handed to the Romanian Government three months after completion of the mission.

Trade Union Leader Discusses Subsidy Cuts

AU2704155593 Bucharest DIMINEATA in Romanian 24-25 Apr 93 pp 1, 5

[Interview with Dumitru Raduca, vice president of the CERES trade union, by Mihai Cernat; place and date not given: "CERES Continues To Support Subsidy Cuts"]

[Excerpts] Grouping 12 federations totaling 360,000 members, the CERES Confederation defines its trade union role as protecting the professional interests and social rights of those active in the area of agriculture. [passage omitted]

[Cernat] Accepted, in principle, by everyone, including the trade unions, of course, the subsidy cuts and, implicitly, the period of sacrifice they imply, instantly led to a wave of dissatisfaction that risks to turn into a general strike. CERES is also among the six confederations that interrupted negotiations with the government and accepts and supports general strikes as an alternative. Is this paradoxical?

[Raduca] Not at all. We favor reform but not the way it is being continued at this time. Our confederation has not only supported subsidy cuts, but we were also among the first to apply them before the set "deadline." This was in 1991. [passage omitted] The way relations with the government unfolded clearly proved that no genuine negotiations were pursued. We want to be treated as equals and not play the role of a sort of "conveyer belt." The government does not accept dialogue but simply wants to impose certain conditions, which—from our point of view—are questionable. One should also bear in mind that CERES did not leave the "negotiating" table, we just chose to suspend them until conditions for a genuine partnership are ensured.

[Cernat] Do you think that a political manipulation of trade unions is possible?

[Raduca] As far as CERES is concerned, I want to make it clear that it did not let itself be drawn into any political maneuver. I think that we can view ourselves as the most reserved confederation from this point of view. As can be noted, we did not participate in trade union conflicts, together with other confederations; we stuck to our own way of action.

[Cernat] It is obvious that our trade union movement is pretty well established. Two diametrically conflicting trends have, however, emerged lately. On the one hand, there is talk about a "game" of mergers and the phenomenon of inner splits continues (some four new federations have emerged in the past three months alone). What is your opinion about what is happening?

[Raduca] I think that the activity of the trade unions has to be strictly guided by the interests of wage earners. This is why we are against making common cause with other trade union forces, which do not pursue these interests. Consequently, I do not see any danger in the existence of a great number of confederations; actually, I even think that it is more difficult to manipulate them. We are also conducting negotiations with the Alfa trade union with the aim of a possible alliance and by no means to merge; but, for the time being, the 12 component federations of the CERES confederation have not expressed their views in this respect. We will discuss this project on 10 May.

[Cernat] Set aside for a while, the "battle" for the trade union patrimony has lately been resumed. What is your opinion on such a trend?

[Raduca] It is normal, we think—and I believe that an understanding will be reached in the end—to seek an equitable way of dividing or jointly managing this patrimony. True, Miron Cozma recently invited (on 24 April) the trade union confederations to a discussion in this respect. The way the trade union funds and profits are used certainly concern all of us.

[Cernat] In your view, how will the trade union movement develop in our country?

[Raduca] I think it is going through difficult times. It is even persecuted. Yellow and steering trade unions have begun to emerge in enterprises, which have joined forces with the administrative managements playing their games. Those who do not go along are threatened with unemployment. Unfortunately, such signs have even emerged within trade unions. Anti-trade union movements pose a great threat.

NATO, Bosnian Serb Military Options Discussed

AU2704095193 Belgrade BORBA in Serbo-Croatian 13 Apr 93 p 5

[Article by Miroslav Lazanski: "A Step to Intervention?"]

[Text] NATO military aircraft have started monitoring the skies above the former Bosnia-Herzegovina. Major incidents should not be expected in the first days, but it remains to be seen if the control of the no-fly zone over Bosnia-Herzegovina could escalate into a conflict between NATO and the Bosnian Serbs. This is the biggest danger in the enforcement of the UN resolution concerning the no-fly zone over Bosnia-Herzegovina. Western military experts had advised their politicians for months before this resolution was adopted to be careful when deciding to engage military forces, including the air force, as well as to be reserved in accepting any risk to engage these forces in trying to inflict the greatest possible damage on the potential enemy. All these things were useless; the pressure of the public and the wish "to do something" resulted in the flights of the Western military aircraft patrolling the no-fly zone over Bosnia-Herzegovina.

How Is Banja Luka Airport Protected?

The leading politicians of the Serbian republic of Bosnia-Herzegovina said that the Serbian side would not provoke NATO aircraft and that the Serbs would not be the first to shoot. This is naturally valid only in the case that the NATO aircraft do not shoot at Serbian land targets. There is the possibility of provocation by the Muslim and Croatian side. The NATO commanders in this action will not have an easy job to recognize who has opened fire against them. One thing is sure, the aircraft of the Serbian republic of Bosnia-Herzegovina will not fly. Approximately 40 aircraft situated at Banja Luka Airport, 20 of them of the "Orao" type and about 20 of the "Jastreb" type will remain in their concrete hangars.

Banja Luka Airport is protected by antiaircraft surface-to-air missiles of the type CA-2, CA-3, and CA-6, manufactured in the Soviet Union, but modified in Yugoslavia. These are long-range and medium-range systems for shooting at targets in the air, with a horizontal range of up to 56 km. The first two systems CA-2 and CA-3 are of the stationary type, whereas the CA-6 is mobile. These missiles are also equipped with the "heat-seeking" guidance system so that they are to a certain extent resistant to the electronic war, that is to say to electronic disturbances. Banja Luka Airport can also be defended with batteries of 20-, 30-, and 40-mm antiaircraft guns (40-mm guns are equipped with a laser range finder), and there is a special radar system for finding low-flying targets such as "Giraffe," manufactured in Sweden by "Ericsson." Unfortunately, all these data are also known to the NATO commanders because the officers of the former Yugoslav Army, who went to the breakaway republics, knew everything about the defense system of Banja Luka Airport. It is certain that the U.S. intelligence satellites as well as the electronic versions of the "Hercules" C-130, allegedly supplying humanitarian aid to Bosnia, have details on all the facilities at Banja Luka Airport.

NORTHAG Command in Bosnia

If NATO aircraft enter the next stage of the intervention, that is to say if they start shelling Serbian land targets in Bosnia-Herzegovina, AGM-86 long-range air-to-surface missiles will be used first, which will bear conventional warheads with an electromagnetic pulsing generator (EPM). These generators produce a magnetic field, which compresses detonations, so that the AGM missiles, flying at low altitudes over the regions in which the enemy's command and control centers are situated, explode and release microwaves making the headquarters of enemy's units "blind, deaf and mute" to a certain extent. The former Bosnia-Herzegovina is not a region where can be produced by these U.S. missiles are relatively small. The Serbian army also has to take into consideration these exotic Western combat systems.

It is certain that the superior air force of the Western allies can disable the Serbian army of Bosnia-Herzegovina, but history has taught us that no war can be won only by air force. If it came to the escalation of the present air force operation in Bosnia, Western air force operations against the Bosnian Serbs would depend on precise intelligence round the clock.

In an escalation scenario, the probable sequence of operations would be as follows: First, a large demonstration of power (this is the present patrolling stage), then a convincing strike against a defined target and in the end repeated attacks on important facilities and heavy weapons. For this purpose, 420 members of the NATO North Army Group Headquarters are situated at the "Dalmacija" Hotel in Kiseljak near Sarajevo. This NORTHAG Command should have been disbanded after the Warsaw Treaty was dissolved, but now it has been transferred from Moenchengladbach to Bosnia.

It is not known who has approved the complete transferral of an important NATO Command from Germany to the territory of the former Bosnia-Herzegovina, and by what UN Security Council resolution this was allowed. In Bosnia NORTHAG has established a Multinational Tactical Headquarters (TAS HQ), which is completely mobile and can change its position every 24 hours. This tactical headquarters should soon be equipped with specially armed helicopters. As long as NORTHAG was situated in Germany, its specialty was close cooperation with the Second ATAF (The Second Allied Tactical Air Force), but also with the Fifth ATAF, which now commands the patrolling operation over Bosnia-Herzegovina from Vicenza.

There is no coincidence; NATO has made good plans, the operation is going on, and if the strong Soviet Army does not act as the target, Bosnian Serbs will also do. Is NATO looking for its lost defensive identity in the Bosnian mountains?

UNPROFOR Commander Opposes Use of Force

LD2604132493 Belgrade TANJUG in English 1255 GMT 26 Apr 93

["Pool" item]

[Text] Stockholm, April 26 (TANJUG)—Comander of the United Nations Protection Force (UNPROFOR) in former Yugoslavia General Lars-Eric Wahlgren has said that he was opposed to the use of force by NATO or any other force in the ethnic war in the former Yugoslav Republic of Bosnia-Herzegovina.

In an interview to the Swedish news agency TT, parts of which were carried by the press on Monday, General Wahlgren said that in his opinion the United Nations should primarily take actions aimed at keeping peace.

General Wahlgren declined to comment [on] hints that UNPROFOR's French troops accomodated in Pancevo, a town near Belgrade, wanted to leave the town.

He said, however, that he did not think it would be dangerous for Swedish peace-keepers to stay in Belgrade in the current situation.

On Monday, the Swedish media voiced the opinion that a military action in the territory of former Yugoslavia was "more probable than ever" after the Bosnian Serb parliament's refusal to accept the plan for Bosnia-Herzegovina proposed by co-chairmen of the conference on former Yugoslavia Cyrus Vance and Lord David Owen.

Early on Monday, the Bosnian Serb parliament refused to sign the maps for the division of Bosnia-Herzegovina into ten semi-autonomous provinces because in its opinion they are harmful to the Bosnian Serbs.

Under the proposed maps, the Serbs, the second biggest people in Bosnia-Herzegovian (31 percent of the pupulation), would get only one-fifth on the resources and 43 percent of the territory although land registery records show that they own 64 percent of the territory, half of the Bosnian Serbs would remain in provinces allocated to Bosnian Croats or Moslems and Serb provinces would not be linked mutually or with Serbia.

The Bosnian Serb pariament on Mondy morning decided that the people should have a final say on the Vance-Owen plan in a referendum.

Commentary on Future Following Bijeljina Decision

AU2604173893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 26 Apr 93

[Zijo Dizdarevic commentary]

[Text] The Vance-Owen plan was unanimously rejected at the Chetnik get-together in Bijeljina, but, by doing so, they gave equally unanimous support to the Security Council resolution that forces Serbia and Montenegro into an unprecedented isolation from the normal world. Even if such a decision did not suit Milosevic at this particular moment, it would be stupid and dangerous to think that the leader of the bloodsuckers was making any concessions. Milosevic could and still can impose a different decision. Even if someone tears himself away from his skirts, it is so much the worse for that person. [sentence as heard]

What else influenced this inane no in Bijeljina? Primarily it was fear, the fear of peace. These self-appointed deputies do not have much contact with the realities of war. They are protected in their lairs while the war rages on. They have looted enough for themselves and their offspring, they have power, there is plenty of food and drink, at least for them there is, and every one of them has either killed and slaughtered with his own hands, or has directly organized and ordered such atrocities. Peace would not bring peace to them. The most influential among these butchers is counting on the possibility of escape to safety if the worse comes to the worst. Their professional officers, and the highest-ranked ones are also protected, but would lose their self-confidence and authority in peacetime. The Chetniks' fear of the Muslims and Croats in their vicinity dominated the gathering in Bijeljina. That was of course due to the terror inflicted on hundreds of thousands of people from those nations. Nor is the Chetniks' fear of their own kind negligible, the fear of Seselj's and other murderers. In all this, the leaders of the Serbian Orthodox Church are persistent in calling for the continuation of what has already started. Let us not forget that the Bijeljina monster-show was preceded by the decision to form yet another phantom assembly, in which the self- appointed assemblies of the self-styled Serbian republic and the republic of Serbian Krajina are to be united.

[words indistinct] a referendum has been announced. The result will of course be as the organizers want it, even though local criminal leaders could influence its outcome in their outlands. If it is true that the Bijeljina decision was reached against Milosevic's will, then Seselj is the lord of Serbia, and that position is not realistic without the support of the army. Still, we will know soon enough. New measures by the international community against Serbia and Montenegro give a chance to the completion of the fascistic process in the so-called Yugoslavia, that is, the full militarization of all the life with the complete control of the Milosevic regime over the few products there are and their distribution. At the same time, tens of thousands of freshly unemployed will become, forcibly or otherwise, candidates for military recruitment.

Lord Owen's initial reaction has been livid. He is now announcing new pressures to get the plan signed after all. However, the West has not got a ready-made solution for this situation. True, NATO forces are practically combat ready, and can go into action relatively quickly. Still, the political decision is yet to be reached. The coming days will show how much verbal pressure has recently become the basis for more decisive action, including military action. Also, it has still not been defined what the political aim of any possible military action would be. Would it be physical force to impose the acceptance of the peace plan, or primarily to discourage the aggressor in his intentions? The character and size of the possible military action is questionable too. Who would take part in it, what would happen to UNPROFOR and the humanitarian aid, and so on? It is important that, in the first phrase, decisiveness is consistently shown in imposing the sanctions and in threatening force. As for the Chetniks, the Bijeljina decision will not improve their combat efficiency. On the contrary, hundreds of problems will descend on them. Ultimately, it is of more than a little importance what attitude Tudjman will take toward Belgrade and Sarajevo. The agreement only just signed in Zagreb is already the most serious of tests.

Karadzic: Serbs Want To Continue Negotiating

LD2604154293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1300 GMT 26 Apr 93

[Text] Belgrade, 26 Apr (TANJUG)—Serb republic [in Bosnia- Herzegovina] president Radovan Karadzic had a meeting today with the UN Security Council delegation headed by Ambassador Diego Arria, permanent representative of Venezuela in the Security Council, at Belgrade airport today.

After one hour of talks, Arria said that the members of the delegation presented to Karadzic certain facts about the situation in Srebrenica which the president of the Serb republic did not know.

Arria expressed hope that the results of the talks with Karadzic will be felt in Srebrenica as early as today.

Karadzic stressed that measures will be taken in order to create conditions for an improved supply of water to Srebrenica, for the arrival of more doctors in the town, the easier passage of humanitarian convoys, and the deployment of military observers at Muslim and Serb positions.

He stressed that he hopes that there will be no foreign military intervention against the Serbs in Bosnia-Herzegovina since "there is no need for that."

It is almost completely quiet at the frontlines between the Serbs and the Muslims and Croats, and I hope that we are coming closer to peace. A military intervention would make things worse, Karadzic said.

We are committed to a political solution to the crisis, which cannot be reached without talks, Karadzic said. We do not believe that territorial problems can be solved without direct contacts, "face to face" talks with the Muslim side.

Immediately before the talks with the UN Security Council delegation, Karadzic said that the Bosnian Serbs want to remain in the negotiating process.

He expressed doubt whether it is useful to continue negotiations in the framework of the conference on the former Yugoslavia.

The conference has used up all possibilities without having offered to the Serbs anything that would enable them to accept the Vance-Owen plan, Karadzic said.

He stressed that the Bosnian Serbs will stay in contact with the Security Council and the United Nations.

The problem arises of whether we should cooperate with the European Community, of which we are not a member, Karadzic said, assessing that EC members are deeply involved in the Bosnia-Herzegovina crisis and are interested in its outcome.

Muslim, Croat Clashes Continue in Busovaca, Konjic

LD2604154993 Belgrade TANJUG in English 1519 GMT 26 Apr 93

["Pool" item]

[Text] Belgrade, April 26 (TANJUG)—Clashes between Bosnian Croats and Moslems continued in Central Bosnia and the Neretva River valley on Monday after Moslem forces resumed attacks on Busovaca and Croats opened artillery fire on Konjic.

In a statement to Croatian Radio, Dario Kordic, the vice-president of Herceg-Bosna, the Bosnian Croat state, confirmed that Moslems had attacked Busovaca, Central Bosnia.

The attacks continued despite a protest of the Bosnian Croat Forces (HVO) to the U.N. Protection Force (UNPROFOR) and the Moslem Army command, the radio said.

The Sunday attack on Busovaca was carried out by seven Moslem brigades and the Croat side suffered at least 30 casualties, the radio said.

Moslem-Croat clashes in Bosnia-Herzegovina, which have escalated in the past ten days, continue despite a ceasefire agreement signed in Zagreb on Saturday by the leaders of the two sides.

Moslems and Bosnian Croats are nominally allied against the Bosnian Serbs.

The Moslem-controlled Sarajevo Radio on Monday reported that Bosnian Croat forces had shelled the greater area of Konjic, a town in the Neretva Valley, Northern Herzegovina, and that the HVO forces deployed on the left bank of the Neretva were in total disarray having suffered great losses.

Moslem forces on Sunday night arrested about 60 HVO soldiers and 200 Croat civilians, mainly women and children, and took them in an unknown direction, said the Information Service of the Serb forces in Herzegovina. The Serb forces have been cooperating with the HVO since mid-April when the Moslem-Croat clashes in the Neretva Valley escalated.

Thanks to a Serb-Croat agreement, over 400 Serb civilians and over 500 Croats "fleeing Moslem terror" have left Konjic over the past fifteen days.

Muslims Take Croatian Village Near Konjic

LD2604171493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1633 GMT 26 Apr 93

[Text] Belgrade, 26 Apr (TANJUG)—Muslim forces this morning took the Croatian village of Radesina in the municipality of Konjic and began burning Croatian houses, although the village is under the protection of UN forces, Croatian Radio reports today. The same source claims that there are about 600 people in the village, including 200 children.

Croatian Defense Council units did not manage to defend the village, since the Muslim attacks lasted for five days, according to Croatian Radio. "The attack by the infantry units is supported by mortar shells, around 100 of which have fallen daily on the village."

Muslims Continue Attacks on HVO Positions

LD2604154893 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 26 Apr 93

[Correspondent Slavko Rako report from "Herzegovina"]

[Text] According to the latest reports from Busovaca, Muslim infantry attacks that began early today are still under way. Blue helmets' officials visited the Croatian Defense Council [HVO] Command in Busovaca this morning, according to a telephone report by Ignjac Kostroman, main secretary of the Croatian community of Herceg-Bosna. After the talks in Busovaca they left in the direction of the villages attacked by the Muslim forces. According to Kostroman, reports broadcast on ZETEL, the Zenica television service, are a cause for worry. A statement by the [Muslim] Party of Democratic Action of Zenica was broadcast in last night's newscast saying that regardless of Izetbegovic's and Boban's signatures, they consider the HVO to be a paramilitary unit. New regrouping of the Muslim forces around Busovaca and Kiseljak is being interpreted in Busovaca with this in view.

It is peaceful but extremely tense in other locations of central Bosnia. Mostar is peaceful, but somewhat fiercer attacks by the Serb aggressor have been reported today along the defense line. Parts of the Stolac battlefield were targeted by the Serb artillery at about 0900 [0700 GMT]. After about 30 shells had fallen on the defenders' positions the HVO artillery returned fire. The Serb aggressor this morning attacked the defenders' positions at Rujani on the Livno battlefield with artillery and tank fire. The HVO artillery returned fire. A state of alert has been in force in Livno since 1005.

UN Reports Serb Forces Launch Bihac Offensive

AU2704112593 Paris AFP in English 1122 GMT 27 Apr 93

[Text] Zagreb, April 27 (AFP)—A thousand Serb soldiers, backed by tanks and artillery, launched a dawn offensive against the Moslem-held enclave of Bihac in northwestern Bosnia-Herzegovina, a U.N. forces spokesman said Tuesday.

Spokesman John Mills said the operation started at 4 a.m. (0200 GMT), and that the Serbian troops were one kilometer (less than a mile) north of the town in early afternoon.

He said there was fighting between Serbian and Moslem forces, but could not say if there were any casualties.

Escalating Attacks on Gradacac, Brcko

AU2704092693

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 27 April reports an escalation of fighting in the northern part of the republic:

As the announcer in the studio reports, "the Chetniks fired about 800 missiles at the Gradacac area this morning, which landed on defense lines, the town itself, and its suburbs." The report by the Information Service of Gradacac War Presidency says that "a relative peace transformed itself into a total war" yesterday, when the "aggressor's activities intensified considerably." "A fierce artillery attack at the defense lines in Rajska, Novalic, and Vide started at 0430 [0230 GMT]" this morning. As the report continues to say "82-mm and 120-mm mortars are constantly shelling" the defense lines and the rest of the territory. "The town has not been spared either," the report adds. "The tanks in Vis are destroying civilian quarters while antiaircraft machine gun and antiaircraft gunfire is being opened from all Chetnik strongholds," the report goes on to say and concludes that "the town is shaking" with the explosions of 155-mm bombs.

"The lines of Brcko's defense are burning," correspondent from Brcko Hamiz Deronjic begins his dispatch. As he says, "the Chetniks" have been charging against the positions of the defenders along the Bosnian Sava basin corridor "with all available means." "Throughout the night the entire line of Brcko's defense was constantly suffering the attacks from aggressor's tanks, howitzers, mortars, guns, armor-piercing arms, antiaircraft machine guns, and guns," Deronjic reports. He further says that "the Chetniks" attempted an infantry breakthrough in Dizdarusa at 1830 GMT that was successfully resisted. He also reports overflights of "the Serbian helicopters" on the Pelagicevo-Bjeljina route that were supposedly bringing fresh troops.

The studio announcer reports that "the morning in Sarajevo is passing in relative peace."

Fighting Continues at Velika Kladusa, Gorazde

AU2704113393

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 27 April carries further reports on fighting in the republic:

From Bihac correspondent Mehmed Aliazulic reports: "At approximately 0500 [0300 GMT] this morning the Chetniks carried out a stong attack on the outskirts of Velika Kladusa." As he says "approximately 800 tank, mortar, and gun grenades landed on positions of the Fifth Corps of the Bosnia-Herzegovina Army." He says that the material damage caused "is enormous" but that there are still no reports on casualties. "The fighting continues as this dispatch is being sent," Aliazulic says.

From Gorazde correspondent Enes Musovic reports that "the entire territory of Gorazde district" has been exposed to artillery fire since morning. "From their positions in Foca, Rogatica, and Cajnice the Chetniks are opening fire from a full range of arms," he states. As he says, the Chetniks at the same time attempted "futile infantry breakthroughs" on all lines of defense held by the East Bosnia Operative Group of the Bosnia-Herzegovina Army. He says "more than 500 missiles" landed there. Quoting unofficial sources, Musovic reports that "dozens of civilians died in this cowardly attack."

From Tuzla correspondent Enes Osmancevic reports that "fierce shelling of civilian targets in Kalesija commune continues at the time of sending this dispatch." He reports that "Chetnik attacks" at civilian quarters and lines of defense of Zivinice started early this morning. As he reports, "the situation is similar in Banovici region." "The lines of Tuzla's defense were somewhat more peaceful this morning," Osmancevic concludes.

An announcer read report says that "cease-fire in central Bosnia (?is holding)." "According to the report by British military observers from the UN Protection Force, there has been gunfire in the vicinity of Vitez and along the Kiseljak-Visoko road, but without any tragic consequences."

Serbs Set Deadline for Disarming Srebrenica Muslims

LD2704100693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0924 GMT 27 Apr 93

[Text] Pale, 27 Apr (TANJUG)—Major General Manojlo Milovanovic, chief of general staff of the Serb republic army, sent a letter today to General Lars Eric Wahlgren, UN Protection Force [UNPROFOR] commander for former Yugoslavia, demanding that UN forces complete their commitment to disarm the Muslims in Srebrenica within 10 days.

Gen. Milovanovic suggests that in that period all captured Serbs should be exchanged and the bodies of killed Serb fighters should be handed over.

If these commitments, stipulated in the agreement signed at Sarajevo airport, are not completed within 10 days, ie, by 7 May, General Milovanovic writes to Wahlgren that he will be forced to stop the delivery of any kind of assistance and provisions to the UN Protection Forces and to the population of Srebrenica.

However, Milovanovic is certain that this will not happen and that all signatories will implement the agreement fully.

Karadzic, MacKenzie To Send More UN Troops to Srebrenica

LD2604135293 Belgrade TANJUG in English 1300 GMT 26 Apr 93

["Pool" item]

[Text] Belgrade, April 26 (TANJUG)—Bosnian Serb leader Radovan Karadzic and former U.N. commander in Bosnia-Herzegovina Canadian General Lewis MacKenzie agreed on Monday that two more Canadian companies should be sent from Tuzla to Srebrenica.

Both Tuzla and Srebrenica are in the east of the war-battered former Yugoslav Republic of Bosnia-Herzegovina. Tuzla is controlled by Moslems. Srebrenica is a U.N.-protected Moslem enclave in Serb-controlled territory.

General MacKenzie, who recently retired from active service, said after his one-hour talk with Karadzic in Belgrade that he would go to Srebrenica to visit the Canadian U.N. peace-keepers.

MacKenzie said he met with Karadzic as "a private citizen" and not as Canadian Government or U.N. official.

He said Karadzic would ask the U.N. to deploy observers in and around Srebrenica both on the Serb and the Moslem side, to consolidate the truce signed earlier this month.

After the meeting, Karadzic said he was very happy that the U.N. observers would be deployed on Serb positions to prevent any possible incident. He said this would be especially important because the Serb side had information that the Moslems were planning to attack Srebrenica and later blame it on the Serbs.

The Bosnian Serb leader said that Srebrenica, which has been demilitarized and placed under U.N. control, should serve as a model for the other fronts in Bosnia-Herzegovina, where an ethnic war between the local Moslems, Serbs and Croats has been raging for over a year.

General MacKenzie was commander of the U.N. Protection Force in Bosnia-Herzegovina from May to October last year.

Army Reports Srebrenica Defense Lines 'Strong'

AU2304151893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 23 Apr 93

[Text] We have received a statement from the Bosnia-Herzegovina Army press center.

The defense lines of the free territory of Srebrenica are still strong and stable. The demilitarization agreement has in no way affected the strength and stability of the defense lines, therefore, there is no reason to fear that the Chetniks, after the completed demilitarization operation, could enter Srebrenica. The Army press center is telling the public again that the agreement on the demilitarization of Srebrenica only affects the town itself, and not the entire free territory, which is a lot bigger than the town territory.

The military leadership of the Bosnia-Herzegovina Army, authorized by the Presidency of Bosnia-Herzegovina as its supreme command, has joined negotiations on the demilitarization with the goal of establishing a just peace, the protection of the civilian population in Srebrenica, and securing people's survival on their homesteads. Insinuations that negotiations on Srebrenica are a prelude to the town's surrender to the Chetniks are unfounded. Quite the opposite. This has been confirmed by the latest statements by Generals Morillon and Wahlgren that Srebrenica would be defended with all resources available.

The demilitarization agreement is favorable for the Bosnia-Herzegovina Army and the civilians of Srebrenica. Only a few Bosnia-Herzegovina Army troops were in the town, and owing to the communications blockade and the arms embargo, they had only poor quality weapons at their disposal. The most sophisticated weapons are in the hands of the defenders of the free territory, which is outside the town.

About 500 rifles and some other weapons were handed over to the Canadian battalion, exactly the same amount that had been in the town previously. The UNPROFOR press representative confirmed that precisely this amount had been handed over to the Canadian battalion, and the figure of 50,000 light weapons reported in the media was the result of an inaccurate interpretation on the part of the UNPROFOR news representative. That is why there are no reasons for concern.

From the day the demilitarization agreement was signed, the free territory of Srebrenica has not been called into question once. The best guarantee that the people of Srebrenica are not going to leave their centuries-old homes are the fighters of the Bosnia-Herzegovina Army, who have a high level of combat morale, are equipped with quality weapons, and are positioned outside the demilitarized city zone. They are protecting and defending their people, their town, and the free territory of Srebrenica.

Serbs Allow Two More UN Platoons in Srebrenica

LD2604211493 Belgrade TANJUG Domestic Service in Serbo-Croatian 2037 GMT 26 Apr 93

[Text] Pale, 26 Apr (TANJUG)—Major General Manojlo Milovanovic, head of the general staff of the army of the Serb republic [in Bosnia-Herzegovina], today informed General Lars-Reic Wahlgren, UN Protection Force [UNPROFOR] commander for former Yugoslavia, and General Philippe Morillon, UNPROFOR commander for former Bosnia-Herzegovina, that the UNPROFOR command can place a further two platoons with their observers in the Srebrenica region.

Stressing that the observers can be placed on the demarcation line between the warring sides, General Milovanovic informed the UNPROFOR commanders that Serb republic president Radovan Karadzic and the Canadian General Lewis Mackenzie, former UNPROFOR commander for former Bosnia-Herzegovina, discussed this today.

The UNPROFOR command was also informed that an UNPROFOR team should inspect and repair the Srebrenica water supplies, which are essential for the civilian population.

The letter [as received] says that humanitarian aid convoys can go to Srebrenica after regular inspection is carried out.

The letter concludes that the implementation of these agreements will be jointly coordinated by the UNPROFOR command and the general staff of the army of the Serb republic.

Serbs Use 'Napalm Bombs' Near Gracanica

AU2604184793

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 26 April carries in its regular 37-minute newscast several reports on the continuing fighting in the republic.

Reporting from Tuzla, Salih Brkic says that "the eastern part of the Kalesija front has been exposed to Chetnik shells from Osmaci, while the criminal formations from Bradine, Vijenac, and (?Priseka) used antiaircraft guns, machine guns, and mortars against (?Trestenica), (?Krsevci), and Mujici in the Banovici commune. A 10 for 10 exchange of prisoners was carried out in (?Sibosnica) today between the Chetniks and the Second Corps."

In his report from Olovo, Velid Djindo says that "the UN observers were astonished at the extent of the damage of the town and the fierceness of new attacks." He says that "we have to refute the information that appeared in some media that the Vares-Olovo road is impassable. The officials here claim that there is and has not been any interruption in the regular flow of traffic."

Semso Tucakovic reports from Foca that "the occupying formations again used all their artillery to continue pounding the defense positions and civilian targets on the free territories of Foca and Trnovo. Over 150 shells have been fired at these areas."

An unidentified correspondent reports from Zepa that "from their positions in the occupied part of Visegrad, the Chetniks used 82-mm mortars against the villages of (?Slati) and (?Pribetak)."

The Gradacac Information Center reports that "this afternoon, the enemy directed its activities against Pozarike and Begov Konak, where since 1400 [1200 GMT] the aggressor has been using mortars, antiaircraft guns, and machine guns."

The Brcko Press Center reports that "a heavy artillery attack was launched at Licki Most at 1100. The Chetniks used mortars and howitzers. Over 70 shells landed on this part of the Brcko defense. The Chetniks have been using tanks, Osa portable rocket launchers, and small arms against Rijeke, and mortars against Lipovac, Brod, and Brodusa. The enemy has been bringing in truck loads of reinforcements. Movements of the aggressor's tanks have been spotted. For the first time since the start of this alleged cease-fire, the Chetniks have been firing at civilian targets on the free Brcko territory."

Reporting from Konjic, Borka Rudic says that "there has only been sporadic artillery fire in the afternoon from the positions of the Serbian-Montenegrin aggressor. Howitzers have been in action, leaving desolation behind."

Izudin Durakovic reports from Gracanica that "from the region of Tekucica and (?Suvo Polje), the Chetniks have been firing from tanks and howitzers at Brdjani and the defense lines. Over 500 shells have landed on this area. The Chetniks used napalm bombs and incendiary ammunition in these attacks, setting several woods on fire, and killing one person and wounding several. The Chetniks have tried two infantry attacks during the day, but the defenders repelled these attacks and destroyed two machine gun nests, one sniper nest, both with crews, and several facilities where the Chetniks were stationed."

Lejla Krako reports on the situation in Sarajevo, describing it as "peaceful with the usual snipers, which have claimed one life today."

The Ilidza Press center reports that "sudden artillery projectiles have been showering on Hrasnica, Sokolovici, and Butmir since early morning hours. The aggressor is mostly using tanks, mortars, and howitzers to pound civilian targets. One person has been killed."

'Chetniks' Kidnap UNHCR Drivers, Demand Aid as Ransom

AU2604142993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 26 Apr 93

[Text] The Chetniks have today kidnapped six UNHCR drivers in (?Kobiljaca). Officers of the British UNPROFOR contingent immediately set out for this location in an attempt to negotiate the release of the UNHCR personnel.

We have found out unofficially that the Chetniks are demanding 1,000 packages of humanitarian aid for the release of the drivers, who are citizens of the Republic of Bosnia-Herzegovina. The negotiations are in progress.

Aid Convoys Pass Through Serbia 'Unhindered'

LD2604130893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1309 GMT 26 Apr 93

[Text] Zvornik, 26 Apr (TANJUG)—Following usual checks in Zvornik, a 16-truck convoy with UN High Commissioner for Refugees [UNHCR] humanitarian aid passed this morning through the territory of the Serb republic [of Bosnia-Herzegovina] on its way to Tuzla via Caparde.

Before that, seven trucks carrying UNHCR humanitarian aid were checked in Zvornik before setting off for Srebrenica via Bratunac.

The same route was used yesterday by a six-truck convoy to deliver humanitarian aid to Srebrenica.

As before, all humanitarian aid convoys passed through the territory of the Serb republic unhindered and safely.

Despite all evidence, the Serb side is still being accused by Western media, in particular, of obstructing UN humanitarian missions.

SR Prime Minister Lukic: Serbs Will Not Kneel

93BA0901B Banja Luka GLAS SRPSKI in Serbo-Croatian 8 Mar 93 p 3

[Interview with Dr. Vladimir Lukic, prime minister of the Serbian republic, by Stevan Risovic in Pale on 7 March: "Force Does Not Solve Anything"]

[Text] The unscrupulous satanization of the Serbian people is still continuing. The powerful West is making sinister moves, and the United Nations, unfortunately, is throwing ashes into the eyes of the world public. Even UN Secretary General Butrus-Ghali is calling for the use of force to impose, that is, the use of force on behalf of adoption of the Vance-Owen peace plan. In the history of the UN Building on East River, there is no memory of a UN general secretary, not even when that office was held by the undoubted Nazi Kurt Waldheim, calling for the use of force. Our informant, Dr. Vladimir Lukic, prime minister of the Serbian republic [RS], as he himself says, was very unpleasantly surprised by this immoderate statement of Mr. Butrus-Ghali.

"At first, I thought that this was a misinterpretation of Mr. Butrus-Ghali's statement, because, you know, that also occurs. The U.S news media misinterpreted the statement of President Karadzic in connection with the placement of explosives in the World Trade Center in New York. However, I see that Butrus-Ghali was not misunderstood. So, this is a precedent not recorded before on the East River. Butrus-Ghali is thoroughly familiar with the causes of the civil and religious war in Bosnia-Herzegovina. He knows full well that there are three equal constituent nationalities living in that former republic of Yugoslavia and that a solution which does not equally satisfy all three nationalities cannot be a just solution. It seems to me that Butrus-Ghali has fallen under the influence of Bill Clinton, and that simply should not have happened. The negotiations in New York can succeed only on condition of acceptance of Dr. Radovan Karadzic's proposal, which is both realistic and acceptable to all parties in the conflict."

[Risovic] That proposal mentions the disputed and undisputed portions of the map, or rather territories. How is it that the Security Council accepted an almost identical case with Cyrus Vance serving as mediator between the republic of Serbian Krajina [RSK] and Croatia, and now copresidents Vance and Owen reject a priori "pink zones" in Bosnia as well?

[Lukic] It would be quite logical to accept the proposal of the Serbian delegation, because this is a compromise on compromises. To tell the truth, we were convinced, both we here in the Serbian Republic and our leadership in New York, that Dr. Karadzic's proposal would fall on fertile ground. What we already knew was demonstrated: The world community, put simply, is not even interested in a peaceful solution of the crisis on the soil of the former Yugoslavia or Bosnia. Even if Karadzic signed the map, although he will not do that, because the maps were drawn up to the detriment of the Serbian people, and I say this advisedly—there would not be peace in Bosnia. There would not be peace because that would signify the end of the scenario to break up Yugoslavia, and that scenario has not been carried to the end. It simply is no longer clear to me: What else are the Serbs supposed to do; to what point are they supposed to give in, for peace to come? Look at what is happening in Geneva, where representatives of all three nationalities (Serbs, Croats, and Muslims) have been seeking a formula for closing all the camps in the former Bosnia-Herzegovina. The Muslims are demanding the release of 130 of their soldiers for one member of the army of the Serbian republic. That is no mistake, they want a ratio for exchange of prisoners, including civilians, of 130:1. Well, that is one for Ripley! We are offering an exchange of prisoners on the basis of all for all, and they, they are seeking the impossible.

[Risovic] Bill Clinton is threatening drastic sanctions against the FRY because of the alleged genocide against the Muslim people in eastern Bosnia.

[Lukic] What is strange to me is that the FRY has not yet been accused of the crisis in Kuwait or Somalia or the suffering of the Kurds, or.... That is just incomprehensible! The United States, as the leading world superpower, simply wants to resolve everything by force, and I mean absolutely everything. What connection is there between the FRY and the war in Bosnia-Herzegovina? What kind of genocide against the Muslims are we talking about? Those are all lies, cleverly fabricated falsehoods, just in order to provide a pretext for military intervention from outside. The Serbs will not go to their knees, that must be clear to Mr. Clinton, even if they have to wage war against the entire world. We will be waiting for any aggressor just as any aggressor is awaited, even though we all die to the last person.

[Risovic] You nevertheless believe, Mr. President, that the Bosnia-Herzegovina crisis could be resolved peacefully?

[Lukic] What good does it do for me to say that I believe that only the Serbs want peace, when the Muslims do not want it? Alija Izetbegovic is a sworn Muslim fundamentalist, and he would rather sacrifice even a million Muslims than renounce his fundamentalist illusions about a sovereign and indivisible Bosnian dzamahirija.

Serbian Victim of Rape Accuses Ustashi

93BA0901D Banja Luka GLAS SRPSKI in Serbo-Croatian 8 Mar 93 p 5

[Article by Jovan Babic: "I Am Naming Names and Making an Accusation"]

[Text] Banja Luka, 7 Mar—Ljubica Pesic of Novi Grad near Odzak, if there were not so much evil in the land of Bosnia, would tomorrow celebrate two joyful occasions—her 37th birthday and International Women's Day.

However, she feels so humiliated and downtrodden that only her feeling of spite and care for her children and husband prevent her from taking her life, which, she says, she would most like to do. She has decided to live and to talk publicly about the troubles she has experienced without being timid about the truth and her misfortune.

On the night between 4 and 5 May of last year, Ljubica, as she says herself, experienced "15 Ustasha rapes." She knows the names of the rapists. Most of them are neighbors.

It Began on 16 April

"Back on 16 April, it was peaceful at home. To be sure, there was talk about a possible attack of Croatian neighbors...but few people believed it," she says. "We had few weapons. Only a few people bought guns from a certain

Alija.... Then a rumor went around that they were digging trenches in nearby Croatian villages. We did nothing!

"The men laughed at our feminine fear: Be quiet, they said, what are you hens clucking about? On Easter, we are playing a friendly game with the Croats...."

The game was never played.

"As early as 18 and 19 April, Novi Grad received the first shells from Croatia, and on the 22d they surrounded us on all sides," Ljubica relates. "Although we had precious few weapons, no doctors, or any aid from outside, we held out exactly 21 days."

"Djurdje Djekic," she enumerates, "Jovo Rakic, Bozo Lazic, Miso Tadic, Slavica Lesic, Zoran Vidakovic, Zeljko Mrsic...died in the fighting.

"There were many wounded. Our resistance came to an end, that was followed by their violence. They immediately separated us, the women to a camp, the men behind wire under the open sky.

"On 9 May, they gave us a little bit to eat. We were terribly hungry and we ate; they were around sharpening their knives. They were laughing: What you have eaten, you have eaten. That is the last for you, praise be to the Virgin and Jesus...."

Ljubica covers her eyes with her hands, and suddenly falls silent. The tape recorder records the silence. Only her five-year-old little boy disturbs it.

"Mama, I want to go home," the boy says through his tears. Ljubica is encouraged by Smilja Stevic, a member of "Dobrotvor" [Philanthropist] in Banja Luka: "You promised you would tell the truth, everything you experienced...this has to become known...."

"They happened to find me in the house of Drago Ninkovic," Ljubica continues undecidedly, turning back the film of her memory to the horrors which preceded the excesses on 9 May. "I remember that that group, which called itself the 'Fire Horses,' included Marjan Brnic, Jozo Barukcic, Ilija Glavas, Martin Barukcic, and Pavo Glavas.

"'Where are the Chetniks, fuck your Serbian mother'? they shouted loudly.

"We replied that we did not know anything. I was trying to protect my little boy. I was hit in my neck from behind with a rifle butt. There were horrible voices wailing outside. I recognized the voice of my sister Milja, Milka Nedic, and Desanka Paunovic. They caught them like wild animals and stuffed them into some car.

"My Milja called for help, she begged to take her children along. But they shouted: 'But you know, fuck your Serbian mother, who we are. We, Chetnik bitch, are the ones you hate the most—Ustashi—remember it, true Ustashi.'

"They drove us through the night, we did not know where.... We were met by 15 Ustashi, they thrust me into a house, they pushed me onto a bed," Ljubica said with visible effort. "Martin Barukcic, whom I know personally, put a knife to my throat. 'Just let out a peep,' he grimaced, 'and you're done for, done for, remember....' And then the worst, that most terrible, began...."

One After the Other

After a long interruption, she muttered that she had to get hold of herself. She was embarrassed to talk about this in front of men, but.... She would not back down. She told even her husband that she would not hold anything back. She said she wrestled with that decision for a long time.

"They began to replace one another," Ljubica described the horror she had experienced with evident effort. "'When we finish, I will cut your throat, and no one will know anything...,' Marjan Brnic shouted.

"He offered me a bottle, he forced me to drink. I begged him: 'Don't, Marjan, on behalf of all that is yours, let me go to my children, I have not done anything....' He took a swig from that bottle, he drank, he cursed, he threatened.

"I will not fuck you, you Serbian whore, where fucking is done, but in the....

"I do not remember anything afterward. Only when I came to my senses a bit in the morning did I feel something wet underneath me. I felt and I saw blood. Blood everywhere. And he? He was sitting on the table completely naked with that bottle.

"Only at 0500 hours did he address me with a big smile, 'We have time for one more go. If you make even a sound, I will bring your children here and cut all your throats. Is that clear!' Then he suddenly began to dress. He went out.

"I tried to get up, but I couldn't move. Outside I heard shots," Ljubica continued her terrible tale. "I thought: They certainly have killed the other unfortunate women. The picture of my poor children and sister Milja flickered before my eyes. I must have fainted again.

"Later, a man I did not know came. He put me in a car and drove me home. But the pain. God, the pain...."

The Ustashi, she said, even later, after the women returned to the village, would come every day and take them away and rape them.

Ljubica held back only the names of the little girls age nine and 15 who were raped and the old woman age 75. "I know how painful it is for them, but I will ask them to come to meet the journalists," and she recited a long list of first and last names of Serbian women who had been raped (the editors know the names—editors' note).

"If Muslim women who have been raped, and I am truly sorry for them, can talk about this horror, why should we Serbian women conceal it?" she wondered. "After all, it is not our shame, but the shame of those who did this shameful thing to us."

The crime of Mato Barukcic, Ljubica says, is indescribable: "He raped a little nine-year-old girl, and killed an old invalid man, Mihajlo Topic, with a rock to the temple.

"Anto Golubovic bragged that he had cut the throats of 12 Serbs," she remembers. "Mijo Brnic, Martin Barukcic, Ilija Juric, Jozo Barukcic, Pavo and Ilija Glavas, Ilija Pavic-Juric, and Ilija known as Bekrija especially distinguished themselves in raping Serbian women...."

Ljubica also mentions the rape of men, who, she says, the Ustashi used as a human wall in battles. "Even today, no one knows where our villagers Petar Lazic, Milan Rakic, Tomo Krsic, and Bogdan Dragoljevic were taken and whether they are alive....

"I concealed my misfortune for a long time," says Ljubica, probably the first Serbian woman raped who has gathered the strength to talk in public about all this.

"Something is broken in me now, now I am naming names and accusing the Ustashi, 15 of them, who raped me on the night between 4 and 5 May 1992. I believe that about 300 Serbian women were raped in Odzak Opstina, and I know some 50 of them personally."

Three Persons Killed Near Sarajevo

LD2404184793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 Apr 93

[Excerpt] Sarajevo was not quiet today. Most of the shelling was registered in Vogosca. At around 1530, four shells hit Kobilja Glava, killing three and lightly wounding one person. Vratnik, Hrid, Colina Kapa, Bogusevac, and Gazin Han were also shelled sporadically. In the district of Vratnik, in Stari Grad municipality, three persons were wounded, and one of them suffered serious injuries. [passage omitted]

Canadian Vehicle Hits Mine Near Srebrenica

LD2704135693 Belgrade TANJUG in English 1341 GMT 27 Apr 93

["Pool" item]

[Text] Bratunac, April 27 (TANJUG)—An armoured vehicle of Canadian U.N. troops stationed in Srebrenica, a Moslem enclave in eastern Bosnia, has hit a landmine while on patrol in the nearby Moslem village of Zalazje.

Sources in the Bosnian Serb army said on Tuesday that none of the Canadian soldiers was injured but that their vehicle was damaged.

About 150 troops of the Canadian batallion within the U.N. Protection Force (UNPROFOR) are currently in Srebrenica to demilitarize the area under a cease-fire agreement signed by the Moslem and Serb sides which took effect on April 18.

Demilitarization has only been partly completed because the Moslem troops from Srebrenica fled to the nearby hills where they are now consolidating their positions.

The truce in the Srebrenica area is mostly holding, but the Moslems are continuing preparations for combat actions despite UNPROFOR's presence in the town, Bosnian Serb army sources said.

On Tuesday morning and Monday night, the Moslems sporadically opened small arms fire on Serb positions, but the Serbs refrained from returning fire on this occasion too.

In the night between Monday and Tuesday, the Moslem incendiary shells caused a large-scale forest fire on the Serb-held strategic Caus hill intended to force the Serbs to abandon their positions.

Despite repeated warnings from the Serb side, UNPROFOR has done nothing to prevent the Moslem forces from digging in on their positions and the Canadian unit are reconnoitring the Serb defence lines although they are not authorized to do so.

The Bosnian Serb army command has sought from UNPROFOR's force commander Lars Eric Wahlgren and Bosnia-Herzegovina commander Philippe Morillon to send U.N. military observers to the Srebrenica area.

The Serb army command has agreed to the sending of two more Canadian platoons to Srebrenica, but neither the Canadians nor the U.N. military observers have yet arrived in Bratunac, a Serb-controlled town in eastern Bosnia from where they are to proceed to Srebrenica.

Tudjman Receives UN Security Council Delegation

LD2604193993 Zagreb HTV Television in Serbo-Croatian 1730 GMT 26 Apr 93

[Text] Here is a statement issued from a meeting between a UN Security Council delegation and Croatian President Franjo Tudjman, who received the delegation in the presidential palace.

[Unidentified correspondent] Croatian President Franjo Tudjman received a UN Security Council delegation headed by Venezuelan Ambassador Diego Arria in the presidential palace this afternoon. The delegation also includes the ambassadors of Hungary, New Zealand, Russia, France, and Pakistan.

Lengthy and open talks focused on the situation in Bosnia-Herzegovina and the extension of the UNPROFOR [UN Protection Force] mandate in the UN Protected Area zones in the Republic of Croatia.

President Tudjman presented Croatia's views about these issues, and stressed that it is necessary for the United Nations to halt the Serbian aggression in Bosnia-Herzegovina and impose peace. The final peace solution should be sought through talks and negotiations between the three constituent nations.

The halting of the war in the neighboring state, which threatens to spread to other areas, would ease the establishment of Croatian authority in the areas presently under UNPROFOR supervision, from which—especially in Sector South—Croatian towns are still being attacked.

He stressed that Croatia is ready to extend the UNPROFOR mandate by six months, so that they can implement the Vance plan fully and all UN Security Council resolutions.

Ambassador Arria informed President Tudjman about clashes in Vitez, saying that people wearing fascist insignia and even swastika crosses are among the perpetrators of crimes against Muslims. President Tudjman condemned this most sharply stressing that further crimes must be halted and the criminals brought to court. He then recalled that the democratic authorities undertook steps aimed at halting the activity of extremists in Croatia who encourage people to wear fascist insignia.

Jure Radic, head of the President's Office; Deputy Prime Ministers Vladimir Seks and Mate Granic; Foreign Minister Zdenko Skrabalo; and Branimir Jaksic, deputy head of the President's Office, took part in the talks.

New Croat-Muslim Party Analyzes Bosnian Situation

AU2604174993 Split SLOBODNA DALMACIJA in Serbo-Croatian 18 Apr 93 p 8

[Slavica Lukic report: "Sefer Is Stronger Than Alija!"]

[Text] Zagreb—"In the Croatian-Muslim clashes in Bosnia, there is guilt on both sides, but it is high time one started speaking about who is inciting the conflicts, that is, who is doing so among the Croats and who among the Muslims." With these words, Mirsad Baksic, chairman of the Croatian Muslim Democratic Party [HMDS] opened the party's first news conference in Zagreb on Saturday [16 April].

Baksic said that he is a bridge between the Croatian and Muslim peoples. It consists mainly of Croats of Muslim religion and is also open to people of other confessions. According to its leader, the creation of the HMDS is proof that in these regions Muslims are a politically heterogeneous people and that the Party of Democratic Action is by no means the only one to articulate the political interests of Bosnian Muslims. Therefore, the HMDS demands to take part in all future international political negotiations that decide about the fate of the Muslim people in Bosnia-Herzegovina, "for negotiators to date have neither had the mandate of the entire Muslim people nor have they carried out the negotiations properly."

People in the field—General Mato Sarlija, called Daidza, Armin Pohara, and Aziz Mihic—spoke in detail at the news conference and rather emotionally about the beginning of the Muslim-Croat disagreements.

"After the Muslim signature was put to the Vance-Owen plan, Muslim-Croatian clashes became meaningless," Armin Pohara said, and added that these clashes are being caused by certain circles in the Army of Bosnia-Herzegovina. He named the main culprits as Colonel Fikret Muslimovic, Sefer Halilovic, and some other former officers of the Yugoslav People's Army who joined the Army of Bosnia- Herzegovina and have in fact carried out a coup d'etat in Bosnia. Armin Pohara presented a number of examples that showed that Sefer Halilovic blocked decisions issued by Alija Izetbegovic and that Halilovic possesses greater political power in Bosnia-Herzegovina than Izetbegovic himself. According to the news conference, anti-Croatian feeling is being imported into Bosnia by Sandzak Muslims, who occupy prominent positions in the Army of Bosnia-Herzegovina. "Sefer Halilovic's policy," General Daidza claims, "is to bring as many Sandzak Muslims as possible into Sarajevo and throw as many as possible Sarajevo natives out of Sarajevo. The Sandzak people are now running Sarajevo and they are in open conflict with the Sarajevo Muslims. These Sandzak people in Sarajevo are led by Arif Pasalic, former commander of Mostar airport and the main source of contention in Muslim-Croat relations in that city."

"It is known who is to blame for those clashes, Bosnia is small," Pohara said. "The Sandzak element in the Army of Bosnia-Herzegovina and the officers of the former Yugoslav People's Army are implementing greater Serbian imperial policy. They have shut themselves up in Sarajevo and are leading a claustrophobic policy." Pohara said that the question of redefining the aggressor in Bosnia- Herzegovina is being initiated in some intellectual and journalistic circles in Sarajevo under direct directives by the top leadership of the Army of Bosnia-Herzegovina.

With a view to preventing Muslim-Croatian clashes, the HMDS proposes the founding of a joint Croatian-Muslim war command headed by General Daidza and including Armin Pohara, Jasmin Jaganjac, Aziz Mikic, and Murat Sabanovic.

Foreign Minister on Increase in Diplomatic Activities

LD2604172193 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 26 Apr 93

[Text] Session of the Foreign Affairs Committee of the Chamber of Deputies of the Croatian Sabor, held before [words indistinct] Foreign Minister Zdenko Skrabalo announced very intensive activities of Croatian diplomacy in the next few weeks. Dr. Franjo Tudjman, president of the Republic of Croatia, is traveling to the Republic of Turkey this week where extensive talks will be held on possible economic agreements between the two countries. President Tudjman should also soon visit China and will host talks with the Albanian president and Romanian head of state in the next few weeks.

Skrabalo also said that intensive European talks were under way, particularly regarding the reintegration of the UN protected zones in Croatia, our country's policy towards Bosnia-Herzegovina, human rights, and media freedom in Croatia. He also expressed opinion that international factors were determined to end the crisis in former Yugoslavia. Croatia will take part at the world conference on human rights, said Minister Skrabalo, which will take place [words indistinct].

Possible integration of the parts of former Yugoslavia is still being considered in British circles, Skrabalo said. The French policy towards Croatia has changed significantly with the change of government. Truth about Croatia must be better and faster presented to the world public and influential factors.

State Border Commission President Davorin Rudolf spoke to the committee members. He emphasized that greatest effects have been achieved on the question of the border with Slovenia, where there were only a few unresolved problems, among which the biggest one was the border in the Bay of Piran, and on the border with Hungary. Not much has been resolved with the other countries. Most has been achieved with Slovenia in the northwest, where the border has been defined all the way to the area of Krapina. The Agreement of Ossimo was being implemented at the sea border with Italy. An important criterion for the commission when defining the borders is its existence as a historical border, or according to the land registry.

Changes in, Departure of Government Examined

93BA0895A Zagreb DANAS in Serbo-Croatian 2 Apr 93 pp 5-7

[Article by Zeljko Luburovic: "A Government of HDZ [Croatian Democratic Union] Unity"]

[Text] If the departure of the technocratic government of Eng. Hrvoje Sarinic should evoke only questions as to whether this was a case of resignation or of placing the office at the disposition of the president of the Republic, then at the outset any analysis would be limited to the range of conversation in the street. Such discussions turn into some kind of sports forecasting in which one can opt only for one of three possible answers offered. In the specific case, the view can be taken that Dr. Tudjman called upon Engineer Sarinic to withdraw or that this was an independent decision of the government, but also that in the skirmishing within the party the view prevailed that the opposed blocs could be reconciled only by the departure of this particular government. The Sarinic team's departure also confirmed the enthusiasm with which representatives of the Croatian opposition could heedlessly rush into such superficial discussions. Having immediately made themselves heard in the press with their suppositions, the oppositionists could only choose one of the three replies we have mentioned. While some, like Bozo Kovacevic of the HSLS [Croatian Social-Liberal Party] and Silvijo Degen of the Socialist Party [SS], interpreted the government's departure in terms of discord within the HDZ [Croatian Democratic Union], others referred to the government's poor performance. But no one went so far as to attribute Sarinic's fall to the will of the president of the republic. In other words, in its criticism the opposition stayed exclusively with indications on the surface. Those same ones evident to the general public at a mere fleeting glance of what is written in the daily press. There is hardly any ordinary mortal who did not know before the Sarinic cabinet's departure that that was being talked about, so that if the news about the government's departure did not surprise the general public, it certainly should not have surprised the opposition either.

Was Sokol Right

Actually, the opposition is emphasizing that it was not surprised. What is more, are there any Croats who had not read or heard about the divisions within the HDZ and who do not see that particular detail as the reason for the government's departure? Likewise, can a Croat be found who does not know that Dr. Tudjman could place the government in jeopardy? The answer is negative to all those questions, so that nothing is left but to imagine what actually happened in recent days behind the closed doors of the HDZ caucus chamber, in recent meetings of that party's presidium, or what the HDZ deputies discussed as they stood drinking their coffee in the restaurant of the parliament building.

In principle, the point can be accepted that bipolarity in the HDZ had become so pronounced that the truth in it could no longer be kept within the party. The name given to each of the poles is irrelevant. After all, when it comes to the balance of power in the majority (incumbent) party, and the functioning of the state depends on it, it is not so important who is a hawk and who is not, or who is a leftist and who is a rightist.

Especially because time has shown that interpretations about the design of the Croatian political system offered by its inventor, Dr. Smiljko Sokol, professor, are now losing validity. Saying that the semipresidential system, along with the election law, was so adjusted as to guarantee stability of the government, Sokol foresaw unity within the party as the most important guarantor of that system. So now we see that disagreements within the HDZ over particular political issues are refuting Sokol's theory of stability of the state, i.e., of the government. The fact that in the end both the state and the incumbent party always managed to get out of the blind alley says more about the skill and political wisdom of those who have the most power and influence in it than about the design of the political system being above question. It certainly does not mean that we should be taken in by phrases about some kind of government of national unity, because such a government is in essence a collection of different political interests which usually yield an amorphous body, but what is really needed is for the HDZ to define party policy. After all, all a government does is implement the policy of the party given the mandate to constitute the government. It is by that that one recognizes a government, and it is also what differentiates the parties in parliament.

Even the departure of Sarinic's cabinet fits easily into that picture, and the new appointments that are and have been the subject of speculation only show that surmounting bipolarity within the majority party was a condition for the functioning of the state. These words may appear too strong, but they contain the essence of the disputes that have gone on within the HDZ for the last two years. There were those who longed for a drastic division within that party, naively hoping that the victory of one side and defeat of the other would essentially alter the political pattern of the parliament and thereby open the way to removing the HDZ from power. It would be premature to speak about what the political picture of Croatia would be like in that case before the voters had the last word in the next election. If there were a radical split within the HDZ, it would not be possible to predict how disputes between factions would be surmounted in the parliament and which of them would get how much and what kind of support of the opposition. The question then would be how to make up a government at all so that it enjoyed the support of both the president and a majority of the deputies of the majority party. Paralysis of the system would then hang like the sword of Damocles over all of Croatia. At a moment when it is squeezed by war and a serious economic situation, it not only does not need that, it would be harmful. This is presumably a moment at which all parties will find a common language.

A Croatian Khasbulatov

And consistent with the constitutional status of President Tudjman, it would be naive to expect that he would stand with his arms folded in that situation. The division of the HDZ in the benches of the parliament, according to the Constitution, should not threaten the position of the president, so that the possible appearance of some Croatian Ruslan Khasbulatov ought at the outset to be oriented toward the political struggle outside the parliament. What intelligent man would at such a moment want political conflicts within the parliament to be carried to the street, and as such, but joined with social dissatisfaction, bring about general chaos. That is precisely the reason why the Constitution, which defines the president of the republic as the corrector in moments so dramatic for the state, is in this case justifying its existence. This situation gives Tudjman the occasion to portray himself as a Croatian Peisistratus and, because, in keeping with the design of the political system, the drama this time is taking place not so much in the state as in the party, it is a fortunate circumstance that the president of the state is at the same time the president of the majority party. His feel for politics and his political wisdom are crucial to the extent to which compromise solutions can be found and to the length of time they can still be found so as to guarantee painless changes in the government and a sufficiently safe rule of HDZ policy until the next election cycle thanks to reconciliation of the two poles in the party.

The Government Has a Pledge to Reconciliation

There is no reason to doubt that there are also those who see in all of this a handicap of Croatian democracy, not stopping short of saying that Tudjman personifies the stability of both the state and the government. If this approach is taken to the problem, then it is a fact that Tudjman is for the present successfully responding to all these problems; however, proponents of this argument wonder, what will happen when Tudjman is no longer there. Will his party then burst for good along the popped seams, and will anyone be able to keep the political system within the limits necessary for its functioning, if the HDZ is in power? These allusions go so far that one gets the impression that there is no Croatia without Tudjman, which certainly is a very presumptuous theory. But is it presumptuous when the issue is transferred to the field of party life? Can it be said with certainty that in this case the bipolarity we have referred to would not grow into open conflicts in the fight for dominance in the party, and then would not the situation in the party be imposed on the life of the state as well? Certainly it would! Especially because the political design of the state is such that it necessarily depends on the policy of the majority party, i.e., on the most powerful political option in it. Which is precisely why the compromises that have been reached up to now within the HDZ are perhaps a fortunate solution on the one hand, while on the other they are a two-edged sword.

After all, the momentary pacification of the political passions that had flared up within the party does not guarantee that they will not flare up again. It is only a question of how conciliatory the poles are. To some, then, it seems that this is a case of prolonging the agony and that essential questions are not being settled this way. The fact that this time, by all appearances, the government has been a pledge to reconciliation within the party (so that now instead of a government of national unity, which is what the opposition advocates, what we have is a government of HDZ unity) does not guarantee that on some other occasion some third party will not take the role of Pedro. Everything will depend on the balance of power in the party and then also among the party's deputies in the parliament. But, let there be no mistake, that destiny is not anything exclusive to the HDZ, but is there for every party which some day has a majority in the parliament, if the political design of the state should remain as it is. Especially because it is naive to believe that intraparty divisions are something exclusive to the HDZ. So, Croatia is beginning to live the life of a democracy upon which it has just embarked, so that exploration for the most apt political model is easiest in the empirical situation. It is such at present to suggest that only unity of the majority party preserves from jeopardy the unhindered course of the life of the state, and it seems that those who argued in favor of party discipline were right when they loudly insisted on it.

Differentiation on the Basis of Interest

However, the formal precondition for the exercise of party discipline is achievement of consensus among the party's members concerning its program. And because the time that is now behind us has shown that the wheel of history has moved forward, the programs of almost all the political parties in Croatia, and therefore of the HDZ as well, ought to undergo review of certain features. And the reason is that differentiation within the party is taking place with reference to the party's program and its interpretation. In the course of its existence, the HDZ has gone through one phase of the party's political differentiation. The discontents who left it mainly said that the party had betrayed its original program. At the same time, those who remained in it are less politically differentiated on the basis of the program than with reference to those carrying out party policy. In a way, it might be said that Dr. Tudjman personifies the program around which the present membership rallies. For precisely that reason, some of the more influential members of the HDZ are inclined to the thesis that political differentiation has come to an end, and that differentiation on the basis of interest is now relevant. According to many, the latter has also resulted in dissonant tones in recent parliamentary debates, especially about transformation and about victims of the war and postwar period, but supposedly about dismissal of judges as well.

Conclusions about who belongs to which of the currents within the party have been drawn on the basis of which of the deputies from the ranks of the HDZ has come over to whose side. Likewise, the way proceedings have gone in the parliament has for many people been the litmus test in the test of strength between the camps of the HDZ. It all ended with the government placing its tenure at the disposition of the president, and he appointed someone else to form a government. The makeup of the new government, which includes representatives of both poles of the HDZ, eloquently indicates that Dr. Tudjman has successfully weathered yet another crisis of the government and party. But how long Dr. Tudjman will be successful in his efforts as a lawyer will depend no more on him than on the will of those who are to some extent confronting him in the party.

It is important to emphasize that solving these problems also has its consequences for the population of Croatia, especially because civil society has not been altogether separated from the political state because of some of the inherited economic relations, but also the inherited outlook. This, in short, means that these moments of crisis in the sphere of the political state must not be reflected in the everyday life of the Croatian population. Privacy must be operative regardless of who is prime minister, and that then means that when government officials lose their position of power, this signifies nothing but return to their job. Private jobs, of course! But so long as holding office also applies to life in INA, for example, politics will remain largely a mere means of living well that is related to one's position in society. That is why today it is more than necessary to move faster with privatization. The day when it is completed politics will no longer be a means of getting ahead, but a hobby, an illness, or enjoyment. Politics will no longer guarantee a place on boards of directors of firms, nor will there be any need for debates and divisions into those from the incumbent party who sit on those boards and those who are against that. Those who were against that have been called the HDZ bolsheviks, and those others the pragmatists. The new round of reconciliation within the HDZ will show whether this was only mere name-calling or a reflection of an inherited mindset. Perhaps we will learn who won out in this seesaw battle when one day the Valentic government also makes some position available for reappointment.

War Victims' Commission Chairman Interviewed

93BA0895B Zagreb DANAS in Serbo-Croatian 2 Apr 93 pp 20-21

[Interview with Vice Vukojevic, chairman of the parliamentary Commission To Study the Victims of the Last War, by Marko Barisic; place and date not given: "There Will Be Other Films"]

[Text] Vice Vukojevic, lawyer, chairman of the parliamentary Commission To Study the Victims of the Last War, is recognizable from his views, which are disinclined to change. A follower of Starcevic in his conviction, he heads the right wing of the HDZ [Croatian Democratic Union], often in a concealed conflict with the left wing of his own party. Recently, he has also been in conflict with the center because of disagreements over the process of transformation. He has been referred to in some of the media as a strong Herzegovinian in Zagreb. In his brief appearances, he has managed to win many political enemies. This was particularly evident after the documentary film about Bruno Busic was shown. His report on the work of the commission delivered in the last session of the Assembly raised quite a storm.

"I would call that curiosity about a problem which for a long time was suppressed and no one dared to talk about it. There are many people who have lost those closest to them, and now it is normal for there to be a great desire for everyone to know where they stand. The commission worked last year, and this aroused a great deal of attention from the public. I do not know why the public should not learn about this, it is entitled to it. The opinion of the Liberals crystallized in the debate and stood apart from all the other parties in the Assembly. I did not fully understand it; after all, in the name of what apologetic and moral principles should we be quiet about those crimes and not attempt to learn the real truth about them? As a member of the SDP [Party for Democratic Reform], Mr. Arlovic debated this quite correctly, arguing from the positions of the commission. The other parties did not take a position, and the HDZ was compact."

[Barisic] What have you learned?

[Vukojevic] The task of the commission is to establish the historical truth; that means to discover all graves, all mass graves, to bury the remains of those victims, and to determine names, the circumstances of the death, and establish the perpetrators. If the commission learns that there is a perpetrator, and this is a war crime not subject to a statute of limitations, we turn the matter over to the public prosecutor. The public prosecutor has already called for certain investigatory operations to be conducted against suspects.

[Barisic] Can we talk about a certain number of victims?

[Vukojevic] I cannot speak as yet, because we do not have enough data to make an authoritative estimate. From what we know so far, the numbers are disastrous. When Mr. Zenko spoke about victims of the occupiers and those who helped them, as he referred to them, I must point out that we have pictures of all those monuments, the names of the victims, we have all the literature on that National Liberation Struggle, especially by opcinas, so that there is no research to be done here. Precisely because we have that side, we must on behalf of the truth investigate that other side as well, one which up to now no one has dared to mention. I see no sound reason why that should bother anyone.

[Barisic] Can we anticipate the printing of some publication?

[Vukojevic] The last sentence of the research project says that the commission must publish the knowledge which it obtains. For the present, material is still being gathered which must then be put in order.

[Barisic] How do you explain that the film about Busic has again been discussed in the Assembly?

[Vukojevic] It seems that that film evokes ongoing interest. I emphasize that the film has a certain number of sequences and that two minutes, 53 seconds do not mean anything. However, everyone has looked at that film through those two minutes. The reaction of the public is quite different from the reaction of certain journalists, and in this case journalists are not an indicator of the mood of the public.

[Barisic] Even Josip Manolic recently said that those who made the film about Busic will not have an easy time of it.

[Vukojevic] I do not know what he thinks, nor do I know before whom those to whom he is referring are supposed to render an account. Why they should render an account and what the punishment would be. I am a lawyer by trade, and I know that I have not done anything that is against the law. What is more, I have been enforcing the law, and there can be no accountability for enforcing the law.

[Barisic] Manolic no longer works in the SZUP. Has he been removed?

[Vukojevic] I do not know if he has been removed.

[Barisic] In any case, he is no longer there. Is this an indication of some other transformations in agencies of that kind?

[Vukojevic] Every organism has its defense mechanism. Thus, the Croatian state must also have its agencies of that kind, and those agencies should be created in a different way, not the way this was done in the old bolshevik system.

[Barisic] In what way?

[Vukojevic] In a different and more modern way.

[Barisic] Mr. Manolic was not modern?

[Vukojevic] He took over an agency of the former regime still intact, and it is clear that that agency has played its role. From now on, we should operate differently.

[Barisic] Are you in a conflict with Manolic?

[Vukojevic] I have not had a single word to say about Manolic's performance. If there is a conflict, then it is only on the other side. In that case, ask Manolic. Have you read somewhere or perhaps heard that I said something about him?

[Barisic] But has he about you?

[Vukojevic] I do not know what his problems are. I have not spoken to him personally about these matters.

[Barisic] It is thought that recently there has been a slow purge of the old personnel from the police and other agencies.

[Vukojevic] I am not aware of those trends. As a matter of fact, I think that recently the old police personnel have taken more responsibility.

[Barisic] The changes in the government were preceded by meetings in the party. What happened?

[Vukojevic] Nothing in particular. An election was held and the law on the government was adopted, there had to be changes in it. The government will not be the same as before, we now have a new administrative and legal system requiring a different method of operation and probably different people as well. This has not been talked about in the party itself, the discussion has been in only general terms.

[Barisic] What are your main objections to the old government?

[Vukojevic] My objection has to do with the transformation. There have been certain mistakes in this area, and I expressed my opinion publicly, but I am not someone who is concerned with the economy. My position is that the transformation must be carried out in such a way that fresh money comes into Croatia so that the government can use it to revive the economy. This has not happened, and that is why the government had to go.

[Barisic] Mr. Mesic, president of the Assembly, said as late as last week that Sarinic and Vedris would remain.

[Vukojevic] I do not know about that statement by Mr. Mesic, but in my judgment it is not appropriate, because Mr. Mesic is not making up a government, nor determining who is.

[Barisic] You do not like to talk about currents or factions in the HDZ. However, there seem to be certain groups of people who have distributed power among themselves both in the HDZ and in the government.

[Vukojevic] A political party is something alive, an organism that grows. I do not think that the HDZ is ailing, it is just that certain changes, quality changes in my opinion, are taking place. As for currents in the HDZ, I have always been an HDZ supporter, and a staunch one. Aside from that, it is clear that a party which is dynamic arouses the interest of other citizens as well, especially when it is in power. That is why people come to such a party who have a place in it, but so do those who have no place in it. When they see that they cannot pursue their interests, they react in an unseemly way and then leave the party.

[Barisic] Do you think that Mr. Mesic supported that current?

[Vukojevic] I think that that was Mesic's current, at least the one that advocated the type of transformation we have had up to now and which did not bring in capital. In any case, new solutions have to be explored in the transformation.

[Barisic] Although this is not your field, what do you think about the state's campaign against abuse of power and crimes in the economy?

[Vukojevic] War and extraordinary situations release negative instincts that have been locked up in people. Often in such situations people do not know what position to take, and when they go outside the law, they are unable to stop. While the HDZ, together with other citizens of Croatia, was fighting for and creating the state, and then striving to preserve it, a quasi-state was created behind its back. There is an entire segment from the old regime which the HDZ government has not touched—these are bolshevik heads of firms—who have abused that position. This business with so-called manager credits, the transformation and alleged purchase of firms, that is something they thought up, and the HDZ has no idea of it. When this got started, it became an avalanche that is very difficult to stop.

[Barisic] What is your view of the arrangement of Bosnia and Herzegovina [B-H] in provinces?

[Vukojevic] In political, governmental, and legal terms, Bosnia and Herzegovina has historically been Croatian land, but the incursion of the Turks into those regions brought about a new state of the facts. We recognize that state of the facts, and that is why from the beginning we have favored the formula of B-H as a state of three nationalities. The first interest was to protect the interests of Croats as a constituent nationality. And the second strategic interest is to join the Muslims in not allowing Serbia to cross the Drina. Unfortunately, Alija Izetbegovic did not understand that at the beginning. He wanted a unitary state, and now the results of his political naivete can be seen. This Vance-Owen proposal is actually the Croatian proposal which we offered to Coutilheiro in Lisbon. Since that time, tricks have been played against the Croats, Boban is said to have met with Karadzic in Graz to divide up B-H, but people forgot how the Croats saved B-H as a sovereign state. There were more votes for a sovereign B-H in the referendum in western Hercegovina than in Bascarsija or in Srebrenica. At that time, they still believed in the illusion of staying with Yugoslavia.

[Barisic] How do you explain the conflicts between Croats and Muslims in B-H?

[Vukojevic] Their policy is conducted by the Mesihat, and their army has been taken over by a team of pro-Yugoslav officers of the former JNA [Yugoslav People's Army], headed by Halilovic. They have provoked incidents and tried to deepen the conflict.

[Barisic] They say the Croats attacked them first. In Prozor.

[Vukojevic] That is nonsense. Had the Croats wanted to attack them in Prozor or in central Bosnia, we would not have received more than 350,000 of them in Croatia. And they are getting the same treatment as the Croats.

[Barisic] Semso Tankovic recently said that an anti-Muslim atmosphere is being created in Croatia.

[Vukojevic] He is creating it. With his public statements and entire activity.

[Barisic] Nevertheless, it seems that a political agreement between Croats and Muslims is on the horizon.

[Vukojevic] Regardless of everything, we are natural allies. And one must forgive a natural ally for some things.

Idea of Croatian Orthodox Church Upsets Believers

93BA0895C Belgrade POLITIKA in Serbo-Croatian 29 Mar 93 pp 6-7

[Article by Radoje Arsenic: "One People in One State"]

[Text] Zagreb, 28 Mar—"Mr. President, we swear to you, it would not take much for us all to turn aside."

This slogan in the most recent regular feature of the popular Croatian journalist Tanja Torbarica, in GLOBUS (who has gained a particular following with expressions such as—"not all Serbs are pure Chetniks—some are dirty")—graphically illustrates the state of mind and situation in Croatia at the moment. It starts from the general conditions of everyday life and goes all the way to prospects for the future which are still completely uncertain and gloomy and offer not even a minimum of optimism.

A separate chapter in that entire gloomy picture has to do with the remaining Serbs, who both symbolically and literally are carrying the entire burden of "guilt" for the obvious tragedy of Croatia and the broadest strata of its citizens. That is, as the propaganda and the officials of the regime who stand behind it continue to explain to "their people" with full force—the Serbs are to blame for all the troubles of Croats today, including the way they are getting along in everyday life, and assurances and pledges as to the achievements of world civilization in the form of a guarantee of basic human rights remain in that regard only empty stories intended for the ears of the "big world."

Who Is Teaching Hatred

Experience, however, is such that a violent blow is now being dealt to the last remnants of the institutional spirituality of the Serbian people in these parts, i.e., to the Serbian Orthodox Church, because there simply no longer exist in Croatia other institutions concerned with preserving (much less developing) the culture, education, and general spirituality of the Serbian people.

The last remnants of something of that kind are several Orthodox priests over the entire territory of Croatia under control of Zagreb, which, along with their daily obligations, related primarily to religious affairs concerning death, are almost every day copying extracts from the church birth records for those who are leaving and who will need them in the other place where they are going. In these tragic circumstances of the ruination of a people, there also comes that "coup de grace"—revival of the demand to "rename" the Serbian Orthodox Church in this republic the "Croatian Orthodox Church," all of that supported by the charge that the SPC [Serbian Orthodox Church] is destructive, that it instills hatred in its believers toward Croats and Catholics, and similar dangerous stupidities.

How this looks in practice can be seen from this passage written by Don Ivan Cvitanovic in SLOBODNA DALMACIJA, who says "I want to name the real murderers," and he says: "The real murderers are not only those who carry a dagger in their hand and hatred in their heart, but also those who have instilled hatred into the heart and placed the knife in the hands. The real murderers are those who wrote the Memorandum at No. 7 Francuska Street, those who carried the bones of Emperor Lazar to awaken the vampires that will drink human blood. They are those bishops and priests who have been spreading hatred and preaching about genocide in order to incite their own people (tribe) to commit a horrible genocide...."

Who that "tribe" is is quite clear, and probably that is why we do not find, for example, in his allegations this statement by Dr. Juraj Kolaric, dean of the School of Catholic Theology in Zagreb (who by virtue of his office is not just some random citizen), who in an interview in the same newspaper, but a month earlier, proposed "renaming" the Serbian Orthodox Church the "Croatian Orthodox Church," justifying it as follows:

"The Serbs in Croatia must respect the new political reality, and that does not preclude establishing the 'Croatian Orthodox Church,' that is, Orthodox Church in Croatia.... It is not so very important to establishment of an Orthodox Church in Croatia whether or not there are 'Orthodox believers of Croatian nationality,' because there is an Orthodox Church in Czechoslovakia, Hungary, and Poland in which the believers are members of other nationalities. As for the 'unpleasant memories' of the NDH [Independent State of Croatia], it should be said that no religious war at all was waged in the NDH, as is asserted by the Serbian expansionists and Saint Sava propaganda, and the Orthodox Serbs were not persecuted because they were Orthodox, but for political reasons, because they hated the Croatian state and everything Croatian. I would be so bold as to assert that in that context the year 1991 is only a repeat of 1941."

What the NDH Was Like

Thus, Kolaric, a high official of the Catholic Church (which is strangely not called the Croatian Catholic Church and is not independent of a foreign head such as the pope in Rome), clearly says what he thinks about the NDH and the Serbs, who obviously were guilty because Pavelic's Ustashi persecuted them, saying that to some extent 1991 is a "repeat of 1941." A majority of Serbs will agree with him on that point, especially those who experienced it and survived it.

There is confirmation that such reflections about Ustasha NDH are not at all isolated in Croatia today in a comment by GLAS KONCILA, the main publication of the Catholic Church in Zagreb, which in connection with revival of the idea in its own ranks about "renaming" the SPC the so-called Croatian Orthodox Church, again accuses the other side of this, i.e., the Orthodox and the Serbs in general. Thus, the editorial recently said concerning this topic:

"People should be aware that in Belgrade they are waiting for even the least occasion to raise a cry to the heavens that the NDH is being repeated in Zagreb, being repeated as they have portrayed it to the world. It might be obvious to everyone that even the dean of the School of Catholic Theology has the right to speak as a private individual, especially when this is explicitly stated...."

Thus, in other words, Pavelic's NDH is not what has been written in the recent past and what is remembered by many survivors still, was not, then, a quisling and criminal creation which will only be remembered for the "originality" of its own human slaughterhouses, but seems to be "something else...."

When "little blocks" of this kind are lined up this way one beside the other, one begins to fully understand all the distress and fear that has been additionally instilled—along with everything they are encountering now on a daily basis—in those few remaining Orthodox believers who still gather around their church in Zagreb. Every day they express their anxieties and bitterness because of attacks on the SPC, and revival of the idea of the "Croatian Orthodox Church" has only made the cup of bile overflow—to their sole remaining priest in Zagreb, Milenko Popovic, who in order to encourage them at least a little had to turn to this directly in last week's sermon.

"That is how the fascists treated the Serbian Orthodox Church 50 years ago. And those who even today are treating it in that way are also fascists as far as I am concerned," Father Popovic said on that occasion and added that it is a pity that the SPC is being discussed and such proposals are being made by a man who is a Catholic and dean of the School of Catholic Theology, because it would be logical for the Orthodox to be the ones requesting such a thing. "It is his right to seek an independent Croatian Catholic Church," Popovic also said.

Deep Roots

When it nevertheless became evident what had been achieved with this revival of the idea of the "Croatian Orthodox Church" (which so far has "taken on life" only in Pavelic's NDH, with the well-known effects and results), even the official Catholic Church distanced itself from Kolaric's frivolous "intellectual excursion" through a statement by the chairman of the Council for Ecumenicalism and dialogue of the Croatian Bishops' Conference, which mentions among other things that the "opinion of Dr. Juraj Kolaric and of other participants in that debate are not the official views of the Catholic Church in our country," and it also goes on to state the following:

"The structure and name of any religious community are the business of that community and of the state in which it operates, and then only insofar as that necessarily concerns the state. One of the fundamental roles of a democratic state is to guarantee every religious community freedom of activity and to allow it to be and call itself what it wishes. The free discussion of these matters must preclude coercion of any kind and from whatever quarter. The present burdensome moment of our history requires that the public statement of every individual must be responsible and truly raises the question of whether this discussion is opportune at this time and serves any purpose."

Kolaric himself had to confirm publicly that what he said in connection with the "Croatian Orthodox Church" is only his private opinion and for the moment a powder has been applied to this newly opened wound to take away the sting. What its effect will be and how long it will last remains to be seen, and unfortunately there is an indication that this is not just something superficial in an article by Djuro Dezelic, dating from 1904, which was published the other day, obviously not by accident, by NEDELJNA DALMACIJA under the title "Religion and Nationality."

Thus, asserting that the "church of our Orthodox people was not called 'Serbian,' much less 'Serbian Orthodox,' but wrote officially to the Bishop of Plaska (1744): 'Most noble Monsignor Pavle Nenadovic of the Eastern or Greek Church, Bishop of Karlovac in Plaska...,'" this Dezelic clearly says among other things:

"The Croats cannot and must not allow Serbism in Croatia to be associated with the Greek and Eastern faith and church. Religion is a matter of conscience and an eternal interest, while nationality has to do with the benefits of this world. Whoever confuses those two things unquestionably is working against God's commandments and against religion and his own people, because he is taking away from it its religion and debasing what is most holy to man.... The Catholic and Orthodox faiths are both Christian, they are both the same religious and moral truth, and neither the Catholic nor the Orthodox faith had its origin or development in any nationality or Slavism.... Religion, then, cannot be a reason for cutting a nationality into two."

He argues his thesis still more clearly as follows: "We are neither against the Serbian people in its homeland, nor against the Orthodox in our homeland, but we are only against the Orthodox faith being used in our country as a weapon and means of Serbian politics and of bringing the Serbian name into the Croatian people through Serbian religion and Serbianizing Croatian fellow citizens and dividing the people."

In the end, then, it is all nevertheless clear: In one state, there cannot be two peoples, but in this case the Serbs are nevertheless Croats. This was published back in 1904, but somehow it is all quite well-known to us, especially in view of the way this conception has continued to be implemented as time has passed....

Factions in Istrian Democratic Congress

93BA0894B Zagreb DANAS in Serbo-Croatian 2 Apr 93 pp 24-25

[Article by Miljenko Mankas: "IDS Hawks and Doves"]

[Excerpts] The defeat that the HDZ [Croatian Democratic Community], as a completely new political party, arranged for the Croatian LC [League of Communists] in the first multiparty elections was interpreted as a logical consequence of the change in the structure of the entire political system. Political analysts did not consider it a precedent, and claimed that the circumstances were not only unusual but also revolutionary. When the IDS [Istrian Democratic Congress], however, in the August elections two years later, defeated the SDP [Party of Democratic Changes] that had ruled until then in Istria, capturing 60 percent of the votes, the question arose: Wasn't it now really a precedent, and what actually was the IDS? There was no complete answer at that time. When the party also confirmed its strength in the parish elections, however, an invitation came for a meeting with the HDZ leaders, after which issues of the consistency of program goals arose in the IDS. There certainly were several goals, however, judging by the party's brief existence. [passage omitted]

Regionalists or Secessionists

The Istrian Democratic Congress was obscure in the first elections, and the SDP won power again in Istria. Those familiar with the political situation in Istria feel that the postelection period was marked by several valuable political moves by the IDS. First of all, the party promoted regionalism and Istria's economic advantages through which prosperity should be achieved, and then—when it felt that the SDP's membership was dissipating—it threw its door wide open. It was precisely those who joined the party during 1991 that were in the top positions on the IDS's electoral lists. Ivan Pauletta ceased to be prominent in the media, and the less well-known Ivan Jakovcic, who only joined the party at the beginning of 1991, came to head the party. After the victory in the August elections, a new "renewal" of the party was carried out, because of the need to exercise power.

Today, the IDS is thus neither a congress, nor a party, but rather a movement—within the Istrian framework, of course. In view of that populist attribute, not only is it difficult for it to determine its political position, but also its central program orientation, especially since not one of its founders is in the party anymore. Arbitrarily speaking, the IDS could be classified as left-wing, both in view of its attitude toward the central state authority and in view of its choice of political partners. How left-wing it is, however, depends primarily on the leading faction in the party. Although the leaders emphasize that there are no factions in the party, those familiar with the situation within the party claim that currently, there are four factions. The secessionists are allegedly headed by Ivan Pauletta, who after reappearing prominently again by entering the Parish Chamber, returned to politics, the public, and the party. Although he wants to wrap the idea of Istria as a supranational region, integral and without borders, in clothing that would exclude a demand for limited sovereignty of the central state authority, Pauletta has stated himself on several occasions that he demands "autonomy" which in some respects is even greater than that which Kosovo and Vojvodina had under the 1974 constitution. The second faction consists of the federalists, allegedly headed by Dino Debeljuk. Together with Pauletta, he maintains very close ties with Italian businessmen, and boasts that that the largest European wool producer donated cars to the IDS. Both of them, as is well known, were annoyed by the talks with the HDZ, the former through the media, and the latter implicitly through a letter from his wife, Loredana Debeljuk. With respect to their so-called federalist position, also characteristic are the renewed demands for the introduction of the Italian language in Istria. A radical position is also supported, of course, by Mario Blecic, who submitted his resignation after the meeting with the HDZ. The regionalist faction is represented by Ivan Jakovcic, and seems to be currently the strongest, while Herak is a representative of the so-called Croatian option. Jakovcic, in fact, does not see Istria as a supranational region but rather as a transborder one, whose fulfillment is to be postponed until entry into the Council of Europe. The factional conflicts within the IDS are also reflected in graffiti: Istria a state, Istria a republic, Let's respect Croatia as a neighboring state, etc.

Those who are irritated by this are inclined to say that the HDZ is to blame for everything because it prescribed a mixed electoral system. If the electoral system had been proportional with a 6-percent clause, the IDS would not be represented at the state level, and it would have been extinguished like many others, they claim. Others are fighting against what they call the radical Italians, and seeking the Croatian people's right to be integrated into its homeland at last, claiming that Croatian nationalists are being harassed. Yet others claim that after the establishment of a sovereign and internationally recognized Croatia, the radical faction has subsided a bit, and that the movement is being restructured into a moderate regionalist party that respects the central authority and the will of the people.

It is precisely for that reason that every specific step that the IDS, as the local authority and a party facing restructuring, will have to start taking will also cause reactions within the party, as long as there are factions. No one outside the IDS can solve its problems, and it is up to the party to establish Croatia as a fundamental value, regardless of its love or hatred of the HDZ. It is also in that light that one should view Jakovcic's understanding of Croatian priorities, expressed in his talk with President Tudjman and his interpretation of the conflict in the party as the process of its restructuring.

Kucan Assesses U.S. Trip, Visit With Clinton

AU2404203493 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 24 Apr 93

[Text] President Milan Kucan returned to our country this morning after paying a visit to Washington, where, along with a dozen other European statesmen, he attended the opening of the Holocaust Museum.

In the United States, Milan Kucan met with President Clinton twice, as well as Vice President Gore, Secretary of State Christopher, some significant senators and congressmen, diplomat Bartholomew, some European presidents who were also invited to Washington, and representatives of the U.S. Slovenes.

Upon arriving at Brnik airport, President Kucan held a news conference. Matej Surc provides details:

[Begin recording] [Surc] The visit to Washington was very important for Slovenia. Slovenia again had an opportunity to present its views to the world, above all concerning the Balkans war. Clinton and Gore listened with interest to the Slovene proposal regarding the Vance-Owen peace plan. As the [word indistinct] of the Yugoslav crisis was moved to the United States, the entire world placed the responsibility on the United States and its president.

[Kucan] When defining our stances, both in the talks with U.S. partners and presidents of other countries who were present, our starting point was that it is above all necessary to reply to the question of whether the world—that is, the international community—wants to preserve Bosnia-Herzegovina as a sovereign, independent, and autonomous state. In our opinion, the reply to this must be positive and if it is, then one must do something that establishes or proves such a stance. This is, above all, to protect the Muslims in the existing enclaves because they cannot protect themselves due to territories being torn apart and also because of the embargo.

[Surc] Kucan also told U.S. partners that the United Nations must ensure Bosnia-Herzegovina's existence and that it must use all means available, including the threat of military intervention, to force Belgrade really to begin to negotiate. The U.S. side has favorably assessed the Slovene proposal.

Regarding Slovene-U.S. relations, President Kucan said:

[Kucan] Slovenia expects further support by the United States in reaching agreements with international, financial, and U.S. institutions, that one can expect support at the foundation of the Slovene-American Enterprises Fund, and that there are no reasons—apart from formal ones for Slovenia not to become a GATT member as early as this year.

[Surc] Regarding the initiative by Croatian President Tudjman regarding a meeting of all leaders of the former Yugoslavia, Kucan's reply was: Let Tudjman, Izetbegovic, and Milosevic meet. We Slovenes have nothing to seek there. [end recording]

EBRD Grants Building Loan to Slovenia

AU2604084693 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 26 Apr 93

[Text] Yesterday, at the London headquarters of the European Bank for Reconstruction and Development, Slovene Finance Minister Mitja Gaspari signed an agreement on a loan amounting to 73 million European Currency Units [ECU's] for the building of a chain of hydroelectric power stations on the Drava River.

Slovenia will get the loan for a period of 10 years with a 9-percent annual interest rate. However, Slovenia will also receive technical aid amounting to 400,000 ECU's for the reconstruction of eight Slovene companies.

Peterle on Foreign Policy at Council of Europe

93BA0905B Ljubljana DELO in Slovene 7 Apr 93 p 1

[Article by STA: "Slovenia Is in Favor of Open Relations With Other States"]

[Text] Ljubljana, 6 Apr—Slovene Foreign Minister Lojze Peterle is visiting Strasbourg today. After his arrival, he met with the Council of Europe's secretary general, Catherine Lalumiere, and her colleagues, and later he represented the Republic of Slovenia in a meeting with the members of an extended group of rapporteurs on relations with the states of Central and East Europe.

Lojze Peterle emphasized that Slovene foreign policy was aimed at open relations with all states, and especially strove for good relations with neighboring states. Slovenia wants to participate actively in modern European economic, political, and security structures.

"One of the principal tasks in Slovenia's foreign policy orientation is full membership in the Council of Europe," the Slovene foreign minister emphasized. In his opinion, it is precisely the Council of Europe that is one of the fundamental proponents of integration processes in Europe. He then spoke about the attention that Slovenia is giving to the protection of minorities. In this regard he said that Slovenia was already preparing for the signing and subsequent ratification of the European Convention on Human Rights. The Slovene government is also prepared to adopt without any difficulties an additional protocol to this convention dealing with the rights of minority members. In the future, the principles of this protocol are to be included in the standards for states' admission to EC membership.

In regard to the war in Bosnia-Herzegovina, the Slovene foreign minister emphasized that the international community could not permit the collapse and partition of Bosnia-Herzegovina, because it was precisely the integrity of that state that was the main condition for a safe and lasting balance in the Balkans. In this regard he expressed support for the peace plan prepared by David Owen and Cyrus Vance, and also pointed out the problem of the refugees. He emphasized that Slovenia was among the states that so far had accepted the most refugees. The Slovene foreign minister spoke approvingly about the establishment of the international tribunal for trying war criminals.

Dispute Between President, Defense Minister

93BA0899A Ljubljana DELO in Slovene 2 Apr 93 p 2

[Article by Vinko Vasle: "A Crowd of Commanders in Defense Tasks"]

[Text] *With the formation of the new government, General Janez Slapar, head of the RSTO [Republic Headquarters for Territorial Defense], was also supposed to offer his resignation to the defense minister, but on instructions from the state president, he did not.*

Ljubljana, 1 Apr—The polemic between Slovene President Milan Kucan and Defense Minister Janez Jansa is basically a dispute over several of the more significant jurisdictions for state defense. At least at first glance, it seems that for the time being the defense minister is on the defensive, since according to the Constitution, the state president is also the commander in chief.

From the legislative and legal standpoint, however, things are quite different, and consequently the public polemic and correspondence between Kucan and Jansa is nothing more than an attempt to politicize issues and problems that are very theoretical in nature. It is obvious that the president sees and interprets his constitutional function—it is limited mostly to protocolary matters—in accordance with what he would like (in the area of defense as well), and less in accordance with the Constitution and the appropriate legislation. Furthermore, this also involves a not innocent conflict between the state president and the government (the Defense Ministry), and the issue of consolidating political power. If we also take into account the "game" and the role of General Janez Slapar, who in accordance with instructions and explanations from Kucan is defending the principle that the appointment of the head of the RSTO is under the jurisdiction of the state president, then the political connotations of the Kucan-Jansa case are even clearer.

Can Kucan Give Orders to General Slapar?

Of course, the complication is also a consequence of several vague and unclear legal provisions, different explanations, and a legal conflict, in our case between the Law on Defense and Protection and the more recent Law on the Government. The latter, in fact, says among other things in Article 24 that "the minister, in accordance with the adopted policy, heads and represents the ministry, gives political guidelines for the work of the ministry and bodies beneath it, controls their work, issues regulations and other documents under the jurisdiction of the ministry and the bodies beneath it...." The next article says that the bodies beneath the ministry are headed by chiefs who are specified by the law. The chief of a body beneath the ministry is appointed and dismissed by the government, at the proposal of the minister, and is responsible to the minister for his work. The RSTO, which General Janez Slapar heads, is thus a body beneath the Defense Ministry, and consequently there should not be any disagreements over interpretations.

Complications occurred anyway, however, especially since General Slapar was the only chief of any body beneath the ministry who did not, in accordance with Articles 25 and 40 of the Law on the Government, offer his resignation to the new minister in the new government. It is interesting that otherwise, all the other heads of bodies under the Defense Ministry offered their resignations to Minister Jansa on the basis of those provisions in the Law on the Government immediately after the election of the new government. Jansa did not accept the offered resignations, but Milan Kucan ordered Slapar not to offer his resignation.

And how did that happen? The government service for legislation, without notifying the Defense Ministry, in response to Kucan's request back on 22 January 1993 (i.e., even before the election of the new government), sent him an opinion according to which the provisions of the Law on the Government with respect to the term and resignation did not apply to the head of the RSTO. The service for legislation, which is essentially a service for all the ministries, was thus on one hand turned into a service for the Republic president, and on the other hand, it only cited Article 52 of the Law on Defense and Protection, which says that the commander of the Slovene Republic's TO [Territorial Defense] and the head of RSTO are appointed and dismissed by the Presidency of the Republic of Slovenia at the proposal of the head of the Republic administrative body responsible for defense matters.

The Law on Defense and Protection was passed in 1991, and in many respects it has not been coordinated with the new Constitution; in regard to dismissal and appointment, it talks about the Republic Presidency, and not about the jurisdiction of the state president. That law is still in effect, but the question is which one to observe in this case—the Law on Defense and Protection, or the more recent Law on the Government! It is also interesting that according to the first law the RSTO chief's term is not limited, i.e., in this case he is the only high-ranking official in the state who does not have a limited office.

General Against Jansa

In this connection, several legal experts think that it is necessary to observe the more recent Law on the Government, which has been coordinated with the present Constitution, and that the Law on Defense is more specialized and regulates the defense area. Under the old constitution, we still had a collective Presidency, and the defense minister was also partly responsible to it. The new Constitution no longer recognizes the Presidency, and the jurisdiction of the Republic president is quite clear, as well as the jurisdiction and responsibility of the defense minister. The latter is responsible for his work to the prime minister, the government, and the State Assembly; he is also responsible to all of them for the work of the bodies that are part of the ministry. The RSTO is indisputably also one of them. The term of that body's chief, Janez Slapar, thus expired on 25 January 1993 with the appointment of the new government. It is also indisputable that a state official in such a sensitive position as a military one cannot have an unlimited term (democracies do not recognize that), and very unclear responsibilities.

And what is the Republic president's jurisdiction in all this? According to the old constitution, the Presidency could also issue certain documents on defense in peacetime, but the new Constitution no longer provides for that. Specifically, in accordance with Article 108, the president can only issue decrees with the force of law in a state of emergency or in wartime. The Republic president cannot change the Constitution, laws, and regulations derived from laws. From that standpoint, therefore, Milan Kucan and General Janez Slapar violated the Constitution and the law—the former because he "ordered" Slapar not to offer his resignation, which is not in accordance with the Law on the Government, and the latter because he very obviously took a stand on the position that his chief was the president of the Republic, and not the defense minister.

Slapar's fate also depends upon the outcome of the dispute between Jansa and Kucan, since in view of the above he could also receive early retirement. Among other things, Defense Minister Jansa is criticizing him for regulating by decrees certain matters that are regulated differently in the present laws, or should have been regulated.

Federal

FRY Minister Comments on Outcome of Serb Assembly

AU2604121193 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 26 Apr 93

[Statement by Vladislav Jovanovic, FRY foreign minister and deputy prime minister, following session of Serbian republic assembly in Bijeljina on 26 April—recorded]

[Text] I was the one to pass to the assembly the message from Presidents Milosevic, Cosic, and Bulatovic, which they had sent in a desire to influence its decision regarding the acceptance of this peace plan, which, providing it is elaborated and redefined, should satisfy the minimal vital interests of the Serbian people in Bosnia-Herzegovina. However, it turned out that the mood at this assembly was such that it could not take the responsibility and so decided to let the population, the voters, take the responsibility and decide in a referendum at some later date. This was something that was, to a certain extent, expected in view of the latest incoming information, but this attitude ought not to be taken as a rejection of the peace plan. They did not reject the plan, they have only rejected the ultimatum-like presentation of the plan, and they have not, as yet, taken a stand toward the plan. We will know more only after the referendum is held. Until then, a more positive development in connection with the (?Bosnian) crisis and a less partial attitude by the international community could only favorably affect the voters, could only convince them more that the peace plan is equally in the interest of the Serbian people in Bosnia and [words indistinct]. Therefore, a lot will depend on what line the international community will take. If they are going to opt for punishment and provoke confrontations, I am afraid that this will not be a great contribution. The international community should also draw some conclusions from this.

Opposition Leader Denounces Bosnian Serb Decision

LD2604162993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1141 GMT 26 Apr 93

[Text] Belgrade, 26 Apr (TANJUG)—Vuk Draskovic, chairman of the Serbian Renewal Movement [SPO], assessed in a statement for TANJUG today that "the decision of the deputies [of the Bosnian Serb Assembly] made in Bijeljina is irresponsible from the human point of view and is more than catastrophic for Serbia, Montenegro, and the entire Serbian people."

"The Vance-Owen plan should have been signed, especially because it has become clear—although this is kept a secret in Bijeljina and here—that doors were opened wide to developing and modifying the Vance-Owen plan after the peace is established in Herzeg-Bosna." According to him, "Karadzic and his people did not become afraid of the Vance-Owen plan but of peace, because they know that in the peace time judgments will be made about the war and that there will trials for warlords on all sides."

"Mr. Karadzic is deceiving the Serbian people and the entire world by claiming that Orthodox, Muslims, and Catholics in Bosnia-Herzegovina cannot live together," Draskovic said adding "these unfortunate people are living together in refugee camps in Serbia and throughout the world, which shows that they can live together wherever there are no Milosevics, Tudjmans, Izetbegovics, and their television stations, armies, and paramilitary formations."

He went on to say it was true that Croat and Muslim Ustashas committed genocide against Serbs in Herzeg Bosna and Croatia during World War II, but it was also true that "during World War II, partisans, that is mainly Serbs, killed more than 200,000 Serbs, and that Serbs, for instance, killed as many Serbian priests as Ustashas."

"If one followed Karadzic's logic, one should draw a conclusion that Serbian communists and Serbian noncommunists cannot live together, so they should be ideologically cleansed," the SPO chairman said. "I am convinced that Karadzic knows all this but he wants only to be the head of a state and that this is the main reason for his conduct which will lead to the sacrifice of the Serbs in Bosnia-Herzegovina. Karadzic will then sit in Belgrade and be the head of a state without Serbs, but nonetheless the head," the SPO chairman concluded. He stressed "the letter sent by Presidents Cosic, Milosevic, and Bulatovic to the Assembly of the Serb republic is a testament to hypocrisy."

"If these men made this decision, which is totally sensible and should be welcomed, a few days ago, and if they made a television address to the nation and explained why the Vance-Owen plan should be signed and what is awaiting them if the plan is rejected, I am convinced that a different decision would be made in Bijeljina. All this looks like being orchestrated."

Draskovic believes that new sanctions suit President Milosevic because now, as he put it, "we will adopt a war economy, supply, and government in conditions of war. The people will be considerably more worse off, but the rule of the rulers will be much more secure."

Text of Presidents' Message Urging Peace Plan

LD2604130393 Belgrade TANJUG Domestic Service in Serbo-Croatian 0312 GMT 26 Apr 93

[Text] Belgrade, 26 Apr (TANJUG)—The presidents of the Federal Republic of Yugoslavia, Serbia, and Montenegro—Dobrica Cosic, Slobodan Milosevic, and Momir Bulatovic—sent the following message to the deputies of the Serb republic parliament last night:

Honorable people's deputies,

Informed about irresponsible statements of some of the participants in the debate at the session of the Serb republic parliament we feel it necessary to send you this message. It is not the right time for us to compete in patriotism. It is the right time for a courageous, considered and far-reaching decision.

Tonight you are making a decision on the approval of the Vance-Owen plan. This decision will have fateful importance for the result of your struggle for national freedom and human and civil rights. Your approval or rejection of the Vance-Owen plan will be of great importance for the future of the Federal Republic of Yugoslavia and its republics Serbia and Montenegro.

We wish to inform you that over the last few days we held detailed, lengthy and very difficult talks with the Lord Owen, cochairman of the conference on Yugoslavia. However, it is our joint opinion that there are some new and important issues. Some of them were presented to you in Radovan Karadzic's report today. In connection with this and the entire plan, we would like to inform you about our standpoints regarding the decision facing you.

During our talks we received very important explanations and definitions, and it is our opinion that it would be best if these were presented in an official form so that the Serb republic parliament could be informed about it.

The talks that we (Cosic, Milosevic, Bulatovic) held over the past few days with Lord Owen (resulting in important explanations and eliminating well-founded and greatest fears of the Serb republic representatives) resulted in the following conclusions, officially announced to Radovan Karadzic and Momcilo Krajisnik in our presence:

According to what has been agreed, the realization of the plan will begin with the delegation of three members from each of the constituent nations to the Bosnia-Herzegovina Presidency, who will immediately start working on standing orders in order to make possible the realization of the entire arrangement. The agreement on interim regime cannot be implemented before the standing orders for the work of the Presidency are adopted.

Guarantees were given that following the signing, units of the Croatian Defense Council or Muslim forces cannot enter the areas outside the Serb provinces in which the Serb people live. Only UN forces, which will guarantee personal safety, safety of property, and the security of citizens can be deployed in those areas;

The agreement on the free passage of civilians throughout former Bosnia-Herzegovina will be strictly observed with UN guarantees;

Understanding was expressed for the Serb side's demands to make certain changes in the Popovo Polje area that will satisfy the interests of both Serb and Croatian sides, and negotiations between the Serb and Croatian sides to discuss this will be launched as soon as possible;

It was established that the initiative to carry out necessary changes to eliminate the artificial division of the Serb Province No. 6 into a smaller and a larger part is well-founded;

Great attention was paid to the facts presented in connection with the Serb side's objections concerning the areas of Kozara and Grmec as historically Serb territories, in which genocide against Serbs was committed during World War II, and in which a Serb population now lives;

The talks we held dealt in particular with the issues concerning Province No. 3 and the necessity to have territorial links between the Serb provinces. We all (both UN representatives and ourselves) realized that the situation has changed in Province No. 3 because of the greater concentration of the Serb population there. Owing to this fact, regardless of the traffic arrangements, the necessary link through that province will certainly be secured, and the problem of this vital corridor will be solved in an adequate way. All the more so because the already offered solutions (although we are not satisfied with them for the time being) exclude any possibility of cutting this communication line;

It was established that the conference on Yugoslavia and the United Nations must accept changes to the proposed maps—accepted by all three sides by mutual agreements either before or after the adoption of the plan—as an undisputed solution. The same is valid if two sides reach an agreement on the exchange of territory or the change of borders that are not detrimental for the third side.

In view of the fact that it was explained in the talks the cochairman of the conference conducted in both Belgrade and Zagreb with UN officials that no Croatian Defense Council or Muslim forces would be allowed to be deployed in any of the areas outside the Serb provinces populated by the Serbs, and that exlusively UN forces would patrol the areas—we came to the conclusion that any necessary changes to the proposed maps which would be in line with the Serb side's demands, can be carried out more successfully by a consensus of an interim presidency and within the framework of a border commission than in the conditions of a continued war conflict.

On the basis of this fact it is quite clear, and it is our firm belief, that the remaining open issues from the so-called interim arrangement and maps can be dealt with more successfully by applying the procedure envisaged by the (Vance-Owen) plan than by rejecting it and prolonging confrontations and bloodshed. The importance of other open issues cannot be compared to the enormous human and material cost of a prolonged civil war.

We believe that the following facts should be taken into consideration:

A. The plan envisages about 45 percent of the entire Bosnia-Herzegovina territory for the Serb nation in Bosnia-Herzegovina;

B. There is a certainty that the main issue of a territorial link between Serb provinces must be resolved and that the danger of the Serb people being separated and divided has been eliminated;

C. An agreement has been reached to resolve the issue of the Popovo Polje area in a fair way;

D. Conditions are being created to set in motion the issue of Mt. Kozara as an historical territory of the Serb nation and as the victim of genocide during World War II.

E. There is a possibility of removing the artificial divisions between the larger and the smaller parts of Province No. 6 and of establishing appropriate links.

There exist legal conditions for resolving positively other issues in a way which, in our firm belief, would not be detrimental to either the Serbs in Bosnia-Herzegovina or the Serb nation as a whole, even if the final outcome is, in fact, the most unfavorable solution within the proposed framework—which we do not expect, in any case. In other words, we do not expect that the procedure envisaged by the (Vance-Owen) plan would be used to pass decisions highly detrimental to Serb interests not merely because this would be illogical and unfair but also because under the plan-envisaged procedure, the Serb side would pass all its decisions by consensus and because without its agreement Bosnia-Herzegovina would not be able to function. Accordingly, in our approach to the Vance-Owen plan we cannot exclude any further confrontations and misunderstandings, but we want any future confrontations to be restricted to political discussion and at the conference table within the framework of the conference on Yugoslavia, within the framework of a tripartite presidency, which would operate on the basis of the consensus principle, within the border commission and all other bodies, and not through the use of arms, bloodshed, and the destruction of towns and villages.

The citiziens of Yugoslavia, Serbia, and Montenegro have demonstrated the highest possible degree of solidarity with you. The degree of our solidarity has been higher than our circumstances would allow. As reiterated by a resolution of the Assembly of the Federal Republic of Yugoslavia, our citizens will continue to show their solidarity despite all the threats. However, on their behalf we wish to state the following: At the time when you as a constituent nation are being guaranteed your equality and the right to decisionmaking by consensus, and to the territories offered to you, you have no right to expose to danger and international sanctions 10 million citizens of Yugoslavia merely because of the remaining open issues, which are of far lesser importance than the results achieved so far. We simply wish to tell you that you must be measured in your demands.

If, in addition to all the above, the outcome of our talks indicates that neither the Croatian Defense Council nor the Muslim Army will be allowed access to the areas of Bosnia-Herzegovina populated by the Serb people, or rather to Serb villages and towns outside Serb provinces; that no decision will be passed without your agreement; that no obstacles will be accepted to resolving the issue of the "corridor"—we ask you: For what purpose will all Yugoslavia will have to suffer enormous damage once the new sanctions are put into action and the existing ones tightened at 0600 today.

Your decision today will not carry the same weight as your decision tomorrow. Under the UN Security Council resolution, your decision today will prevent the sanctions without an external agreement, and only tomorrow will it open a prolonged and uncertain process of reaching an agreement which will have to be approved by all, even those not inclined favorably to us.

We feel entitled to the same right as you to pass decisions of significance for the Serb nation and insist that you heed our categorical stand and accept the plan.

We feel that we also understand what is good and what is bad for our country and the entire Serb nation. This is an issue of either war or peace, and we are opting for peace. This peace will not be a peace for Serbia and Montenegro alone, but for you as well. This will be an honorable peace, with guarantees of your equality and freedom. The other option is an unnecessary war which, now that the Serb nation in Bosnia-Herzegovina has gained its equality and freedom, and has the chance of retaining most of its territories, will bring nothing else but adversity, sufferings, and violence to you and others.

UN Sanctions Come Into Force 27 Apr

LD2604151993 Hamburg DPA in German 1405 GMT 26 Apr 93

[Text] New York (DPA)—According to the United Nations Organization in New York, the tighter sanctions against what remains of Yugoslavia have not yet come into force, despite contrary information. UN spokesman Joe Sills told DPA today that the sanctions come into force on Monday at 2355 hours New York time [Tuesday 0455 GMT], exactly nine days after the Security Council's decision to impose them.

Health Officials Assess Consequences of Sanctions

AU2604173693 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 26 Apr 93

[Text] The operations committee for monitoring the market supplies of medicines and medical equipment held its first session today, it was said at the news conference held by federal Health Minister Velibor Popovic and republic Health Ministers Dr. Milos Banicevic and Dr. Miomir Mugosa. The Yugoslav health service is almost completely dependent on imports, so now that

Resolution 820 has come into force it is necessary to take urgent measures. This week, the strategy of ensuring a health service under extraordinary circumstances will be endorsed; a new financial plan, seriously revised, will be adopted; and sources of dinar and foreign exchange resources established. In this way, it was said, the minimal conditions necessary for the functioning of the health service will be created.

An appeal to the international public was issued from the conference to the effect that sanctions to date have created an extremely unfavorable situation in preventive medicine and the latest resolution in fact means wearing down a nation.

Seven Albanians Killed in Border Incidents

LD2704150693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1419 GMT 27 Apr 93

[Text] Belgrade, 27 Apr (TANJUG)—Seven citizens of Albania were killed in three border incidents, which occurred in the Djakovica and Prizren areas between 25 and 27 April of this year. These seven people were killed when trying to cross illegally the Yugoslav border. The press, information, and culture office of the Federal Ministry for Foreign Affairs disclosed this in a statement issued today. The statement further adds the following:

Border patrols acted in line with the rules of the border patrol services in all mentioned incidents. They opened fire only after their warnings were ignored or when they were attacked physically.

Expressing regret over these border incidents and in particularly over the loss of life, the Federal Ministry for Foreign Affairs drew attention to the lack of willingness on the part of the Albanian side to secure its own border and to prevent illegal crossings, which can have tragic consequences.

The Federal Republic of Yugoslavia on several occasions reminded the Albanian side of the need and obligation to observe bilateral treaties and international standards regulating border crossings and to act preventatively so that unnecessary incidents are avoided. Unfortunately, all these appeals and warnings have not influenced the Albanian side. As a result, there has been an increase in the number of illegal crossings and border incidents, which, including the latest ones, have had tragic consequences.

EC-Sponsored Radio Broadcasting to Former Yugoslavia

NC2604135593 Tehran ABRAR in Persian 15 Apr 93 p 5

[Text] A new radio, which is being financed by the EC, is broadcasting programs to the people of former Yugoslavia.

According to Radio Monte Carlo, a radio called "The Right to Speak" [Haq-e Sokhan] has initiated these programs for the people of former Yugoslavia, with the cooperation of a number of local correspondents. This radio broadcasts programs from a ship that flies the EC flag. The ship is moored in international waters and has a very strong signal, and its maiden programs were heard from as far away as Belgrade.

Radio Monte Carlo referred to the objectives and activities of the radio "The Right To Speak" as the dissemination of true and authentic news and reports, adding: This radio is seeking to prevent the local mass media from whipping up an atmosphere.

New FRY Deputy Ministers Appointed

LD2604151593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1310 GMT 26 Apr 93

[Text] Belgrade, 26 Apr (TANJUG)—Sanja Mikovic, a lawyer from Podgorica, has been appointed deputy federal minister of information, the Federal Ministry of Information said in a statement today.

Zvonimir Tomovic, a lawyer from Bijelo Polje, has been appointed deputy federal minister for human rights and rights of minorities. Zarko Lekic, so far manager of the "Jugoinspekt" finance sector, has been appointed deputy manager of the Federal Directorate for Commodity Reserves.

Government Introduces 500,000-Dinar Banknote

LD2604144393 Belgrade TANJUG in English 1352 GMT 26 Apr 93

[Text] Belgrade, April 26 (TANJUG)—The National Bank of the Federal Republic of Yugoslavia on Monday put into circulation a banknote of 500,000 dinars (valuing about 14 German marks [DM] on the official exchange rate, or 8.3 DM on the black market).

The new banknote is the result of the galloping hyperinflation and the lack of ready cash in the country's balance of payments.

The March monthly inflation amounted to 225.8 percent, while the annual inflation rose to over 133,975 percent.

Only ten days ago, the 100,000-dinar note was printed as the biggest note.

Although the value of the latest largest bill in Yugoslavia (according to its black market value which is realistic) seems almost symbolical, the average Yugoslav wage amounts to only six such bills.

Economic Minister on Postblockade Strategies

93BA0877F Belgrade POLITIKA in Serbo-Croatian 24 Mar 93 p 10

[Article by Slavica Cedic based on interview with Dr. Milorad Unkovic, federal minister for foreign economic relations; place and date not given: "We Will Not Take Foreign Exchange Away From Exporters"]

[Text] The international blockade of the FRY has almost completely shut down foreign trade, has interrupted international settlement, and also the investment of capital and technological exchange with the world. All the figures on international economic cooperation are disastrous, Dr. Milorad Unkovic, federal minister for foreign economic relations, said at the outset of the conversation. It has all come down to trade subject to permits from the Sanctions Committee.

"Which is why our powers mainly come down to corresponding with the Sanctions Committee in order to guarantee the importation of products exempted from the ban," Dr. Unkovic said.

Why Do They Prohibit Us From Importing Raw Materials?

At the moment, main efforts are directed toward spring planting and importation of products indispensable to it, in particular, approval of imports of gas for planting. In any case, the new federal minister has already gained enough experience to say:

"I expected more understanding from the committee, especially for the supply of products whose shortage has been threatening human life, among which drugs are the most important. It is not clear to me why the importation of raw materials for drugs is prohibited. It is utterly incomprehensible why we are prohibited from exporting a surplus of drugs, although all of that would help us to obtain more drugs both for refugees and for other categories of the neediest parts of the population, such as children, the elderly....

"At the same time, every day we are making an effort to spend as little as possible of what little foreign exchange we have for the importation of luxury goods and as much as possible to import drugs and foodstuffs.... In contact with the economy, we are trying to loosen all the procedures for the trade with the world that is allowed, while the federal government, in collaboration with the republic governments, is hastily preparing an entire package of measures in the field of finance, foreign exchange, and foreign trade, of which the public will soon be informed."

On the basis of several decades of experience in scientific work, management of an import-export firm, his previous tenure in the post of deputy federal secretary for foreign trade, and also foreign trade contracts worth about $20 billion, Dr. Unkovic said without hesitation and on behalf of the firms and government:

"The present set of instruments and laws take all incentive away from our exports, so that even if it were not for the blockade, our exporters would be entirely hampered by the arrangements we have.... When foreign exchange is forcibly taken away from exporters no later than three days after they bring it into the country, and it is transferred to the accounts of authorized banks at an exchange rate which is a fraction of the real rate, and when at the same time exporters have, so to speak, almost no incentives whatsoever, then it will be the ministry's central activity to join science, prestigious businessmen, chambers of commerce, and banks in working out an export system that provides full incentives. Whereas the Japanese launched the slogan 'Exporter, die,' that must really be applied to the Federal Republic of Yugoslavia," said the federal minister for foreign economic relations. "And this must govern all arrangements in the foreign exchange, foreign trade, and customs systems, as well as the trade regimes to which commodities are assigned."

The most important thing here, according to Dr. Unkovic, must be as soon as possible to give exporters the opportunity to dispose of their own foreign exchange.

"While the blockade lasts, there are almost no effects from that. But this is extremely important as a preparation for the time when the blockade is removed," Dr. Unkovic said, recalling that up to now thinking in this area has been social rather than creative: The most essential thing has been to take foreign exchange away from the exporters in order to meet various social needs.

"Foreign exchange should be left to the exporter to use as he pleases, but he will have to sell it on the foreign exchange market in order to make payments in dinars to cover earnings and other costs in the country. If the inflow is greater, there will also be more foreign exchange then for drugs, petroleum and petroleum products, for fertilizer, and to meet other needs. Thanks to the exporter's economic motivation to convert foreign exchange to dinars at the real exchange rate, the dinar will also become a valued rather than worthless currency, especially if the note issue of the National Bank of Yugoslavia is also taken under control," Dr. Unkovic said.

Special Incentives for Certain Services

"Nor has the system of export incentives been worked out. We now have certain average refunds of duties, fees, and taxes, which imparts great injustice and redistribution into the economy. Although the amounts are very small, it is still unfair for a person who pays the dinar equivalent of $1 in duty to get a refund of $3, and, conversely, for the one who pays $3 to get $1 back. Here, we must be mindful of the cost principle and the principle of the most direct connection to refund as much as was paid and to do so in real values. So, the entire system of incentives is being reassessed," said the federal minister for foreign economic relations.

The jurisdiction of this ministry also includes other important fields such as the placement of capital, especially direct investments, technological exchange with the world, and long-term industrial cooperation....

"A special mechanism will be worked out for the services of tourism, transportation, and construction work abroad. After all, without a net inflow of capital and solid investment in technological cooperation and industrial cooperation with the world, a lasting recovery of our economy is only a theoretical hypothesis. Precisely because we dare not neglect services; those I have mentioned in particular can yield an important result with respect to foreign exchange within a short period after the blockade is removed. For example, in 1990, when our economy was already in crisis and the world was already becoming restrained in its cooperation with Yugoslavia, when we had one of the worst years in the postwar period—Serbia and Montenegro had foreign trade worth about $13 billion in both directions. Then, services suffered because the world was cautious, and we had a large drop in this area. Had the trend been normal as in earlier years, we would have had a trade of not $13 billion, but $16 or $17 billion. This shows how important services are to us; at the same time, because of objective patterns in development to the effect that the smaller a country, the larger the share it must have on the world market, we will probably have to nearly double our foreign trade, although that will be difficult to do in reality."

According to Minister Unkovic, he will be in favor of exposing the domestic economy to world competition. But—not at any price, so that entire branches of our economy disappear overnight and there is immense unemployment and underutilization of capacity.

"We must set up a model on a scientific and professional basis such as the advanced countries applied in their development. Promising sectors of the economy which have been exposed to domestic competition and have been left without protection must be protected by the foreign trade regimes consistent with all the rules of GATT and our obligations to GATT," Dr. Unkovic said.

One of the dilemmas that will have to be resolved is government support of exports of equipment and construction work abroad. Dr. Unkovic recalls that nowhere in the advanced countries can this business be done without credit financing from an export bank, nor does such a bank in any world country exist without government capital and government help. Without going into the present relations with JUBMES [Yugoslav Bank for International Economic Cooperation], that bank's functions should include at least in part the purchasing of foreign exchange resulting from collection of our unsettled claims in the world, and a way must also be found to avoid the troubles we have always had up to now because of exchange rate differences.

[Box, p 10]

Utilize Good Experiences in Local Border Trade

"Removal of the blockade and sanctions is a vital issue for us, and the activities of all ministers, as well as that of the federal government as a whole, must be subordinated to that. The most important thing for us is to create the conditions so that after the unjust sanctions are removed, we will again be an equal entity in the world economy and get back the forms and volume of cooperation we had and develop new ones. That is why we must use this period of the blockade to prepare a strategy of economic relations with the world on the principles incorporated in world standards, in which an important place will certainly go to our large partners in the OECD, Russia, and other republics of the former Soviet Union, as well as our neighbors. We will not terminate a single form of cooperation which is promising from the standpoint of our country. Nor are we burdened by the past. We will utilize from that past all the experiences that can yield constructive results, including, in particular, all the forms of local-border trade and trade by sea with neighbors. In preparing a strategy for complete cooperation, we will also be mindful of the stability of trade, so that we are not merely a tool in the hands of other countries which will leave us hanging when it suits them," Dr. Unkovic said.

[Box, p 10]

A Part of the Country's Sovereignty

"Just like money, customs, foreign trade policy, and foreign exchange policy, regulating foreign economic relations as a whole is an obligation of the government under the Constitution and an integral part of the country's sovereignty. Here, we have encountered full understanding on the part of the republic leaderships, and we think that we will soon find the right solutions in this area," said Dr. Milorad Unkovic.

[Box, p 10]

Standards as a Second Blockade

"Immediately after taking office, I checked to see how we stand with standards and standardization. I recall that when we adopted the EAN [expansion not given] there was a lull with Europe for several days. Our unpreparedness for application of ISO and ISO 9,000 could be a serious obstacle to exports even after the blockade is removed. This could be a second blockade for us. That is why we should use this period in order to adapt in time to the quality standards of Europe and the world community," Dr. Unkovic said.

Data on Proposed FRY Budget

93BA0877E Belgrade BORBA in Serbo-Croatian 18 Mar 93 p 6

[Article by Bojana Jager: "Pruning Public Expenditures"]

[Text] Proportions in spending were mainly reconciled in discussions between the federal and republic governments except for the question of where to put a portion of social welfare, Jovan Zebic, deputy federal prime minister, explained at yesterday's news conference.

This year, the total amount of public expenditures in the FRY, the republics, and all funds together is to be reduced to 55.8 percent of the country's available social product. Whatever cannot be covered by those amounts must be pruned, which means that all beneficiaries from the budget must draw up their own programs for economy, greater efficiency, and also revision of certain rights, including reduction of the federal administration.

The second principle adopted by the federal government is to reduce the deficit financing of the federal treasury, which this year must not exceed 35 percent of budget expenditures. That amount of the budget, that is, will be covered by the Federation's borrowing from the NBJ [National Bank of Yugoslavia] (in the amount of 18.61 trillion dinars) and the securities it will issue (1.02 trillion dinars). In any case, the budget was calculated on the assumption that this year's rate of inflation will be 11,658 and that the monthly rate would start to drop in April and would average 48.9 percent. A rate of 120 percent was calculated for March, to which journalists reacted by asking how realistic such calculations are? Zebic allowed that in the first months reality may refute these assumptions, but he said: Unless inflation is brought down, it will not be possible to achieve the other objectives of economic policy either.

A further real drop in the social product of 10 percent is envisaged for this year, and the social product is estimated at 599.34 trillion dinars. This should be reduced by about 20 percent, the amount of the so-called noneconomic outflow of the social product, which is actually the cost to us of aid to the Serbian krajinas and all the adverse consequences of the present political situation on the space of the former Yugoslavia. For all the thrift, it has turned out that in this period certain expenditures have been inelastic and have even been increasing. All of 70 percent of the federal budget, or 8 percent of the social product, is to be spent by the Army of Yugoslavia. Social welfare expenditures represent a second huge item in the amount of 18.5 percent of the budget, and within this (4.2 trillion dinars) there is social aid to those who have been left unemployed because of the blockade. The amount of 2,393 billion dinars has been set aside for interventions in the economy.

Laws are being prepared very quickly for two essential federal functions; they are to offer solutions related to the public debt and making up the loss to foreign exchange savings, and for financial rescue of the banks. Zebic has also done a reassessment of the economic policy of the old federal government, which must be adapted to the situation. The nonmarket measures which must be resorted to, according to him, will not signify any freeze at all, but adaptation of certain solutions to the situation of shortages of materials and foreign exchange.

Depositors Protest Law on Savings

93BA0875A Belgrade BORBA in Serbo-Croatian 23 Mar 93 p 6

[Article by Jasna Kesic: "'Stop the New Seizure'"]

[Text] The Association of Foreign Exchange Depositors yesterday sent a letter to Jovan Zebic, federal deputy prime minister, in which it protested preparation of a law that would transform their old savings into public debt of the federation. They say that "this is another attack on old foreign exchange savings," that this solution is "the most expedient from the standpoint of the financial interest of the state, but it neglects and betrays the interest of owners of old foreign exchange savings." In the proposed version of this law, the federal government "transforms the hope of the savers into a nightmare and pronounces a death sentence on foreign exchange income from savings in the future."

The depositors' association petitioned the government to withdraw the law from procedure; otherwise, they are determined to persist and fight with "all methods and means and to bring in front of the parliament building a larger number of savings depositors than ever before, and they will remain there until the law turning old foreign exchange savings into a public debt of the Federation is withdrawn."

All that is known so far about the proposed version of this law (and it is not much) is what Deputy Prime Minister Zebic said in a recent press conference, and that is that it will be transformed into a public debt of the federation. All of our efforts to learn from the Federal Finance Ministry what else this bill provides were unsuccessful. The answer from Zebic's office, by way of the deputy federal minister for finance and his aides, was this (if it can be called an answer): Consultations are taking place concerning that bill and, until they are completed, nothing can be said about it. They will tell us everything after the proposed version is adopted in a meeting of the government.... The reason is most likely that earlier governments also proposed similar solutions for old foreign exchange savings, but none has "passed" so far, for the simple reason that the government is assuming a large obligation and does not have the money to discharge it.

Because we were unable to get any answer from the law's proponents, we asked economists what it means for the savings depositors to have their foreign exchange transformed into a public debt of the federation. Because they have not seen the text of the law, they were also reluctant to consent to talk on this topic. Thus, Dr. Tomislav Nikolic of the Vojvodina SDK [Social Accounting Service] says that he is a pessimist, because the old foreign exchange savings depositors will not get their foreign exchange in this century, because this state is not able to return it to them. Especially those who have 100,000 German marks or dollars or more. How will that amount of foreign exchange be repaid by a government which cannot back up the federal and republic budgets, pensions, and health funds without primary note issue?

"Judging by the financial condition of the government, it can adopt such a law, but only provided it declares a moratorium for the first five or 10 years, and only then begin to pay out old savings," Nikolic explains. "After all, that debt can be discharged only from two sources—either borrowing on the outside or repaying that debt by siphoning money from the economy and individuals. But it is well-known that neither solution is realistic. Only a moratorium for a certain number of years is realistic."

Biljana Stojanovic, M.A., of the Institute of Economic Sciences in Belgrade is of similar opinion. She says that turning old savings into public debt means above all that the government is recognizing that debt and will repay it one day. Meanwhile, she is not familiar with the decisions of the federal government either, and she explains that everything depends on whether the government will repay that foreign debt in foreign exchange or the national currency. If it is to be in dinars, inflation will eat it all up, and the depositors will be shortchanged once again. But if it is to be in foreign exchange, the question is where the foreign exchange will come from?

"The government can obtain foreign exchange either by borrowing abroad or from the exports of the domestic economy," Biljana Stojanovic explains. "But unfortunately under these conditions (war, hyperinflation, the embargo), when no one is making loans to us and when there are no exports at all (at least not legally), there is no foreign exchange. For all those reasons, the question of foreign exchange savings, at least for now, is much more a technical than substantive question. The future law, whatever it is, will have a hard time solving this problem, because there simply is no foreign exchange."

[Box, p 6]

Protest

The association of embittered foreign exchange depositors is organizing a protest meeting on Thursday, 25 March, in front of the Federal Office Building in New Belgrade. The reason is that the federal government is preparing a law transforming their savings into public debt of the federation, "without their consent."

Banks' High Profits in Oil Business

93BA0909B Belgrade BORBA in Serbo-Croatian 6 Apr 93 p 12

[Unattributed article: "Earnings at First Hand—90 Percent"]

[Text] The oil business is very profitable today. While enterpreneurs in the world expect earnings from turnover (the larger the better) from this business, but not a large percentage, the petroleum shaykhs here aim at profits of 30 to 100 percent. Among them people who work honestly have a hard time surviving, and so those who do not purchase fuel themselves on the world market and the final consumers are exposed to real extortion by the price. Another sort of Yugo- (Serbo-) curiosity is the fact that banks are engaging in the oil business—those which have otherwise become a place for the biggest speculations, and are now benefited by the newly established law (it went into effect on 1 March) which says that organizations (enterprises) can no longer borrow money from each other, and that instead, only banks can deal with these transactions. Their commission is between 20 and 30 percent.

Angry at this policy of the federal and republic authorities, private oil businessmen are warning that the state is supporting Dafiment Bank in oil transactions because it is helping the state to preserve social peace through high interest rates.

In explaining the mechanism for misusing the oil embargo and low wages, the oil businessmen cite the data on the profitability of the derivatives business. Although it purchases a ton of diesel fuel for 480 marks abroad, Dafiment Bank (as Jugoskandik also did, after all) is not satisfied with the world wholesale commission of 10 percent, but instead sells a liter of D2 fuel for 88 pfennigs. In any case, it is not buying the oil with its own money, but rather with foreign exchange collected from the people—for which it pays them monthly 15-percent interest. In just one round, the income from the foreign currency thus deposited is about 90 percent (and several rounds can be handled a month); when it returns the money to depositors and pays the interest, Dafiment Bank is left with at least 75 percent of the oil earnings.

Dafiment, but also the other banks, in cooperation with the state, then loan the money earned from trading derivatives to enterprises and then collect interest again. It will do so as long as the people have foreign exchange stockpiled in their mattresses.

Belgrade Firms' Involvement in Oil Affair

93BA0913A Belgrade BORBA in Serbo-Croatian 2 Apr 93 p 7

[Article by M. Mikuljanac: "Two Belgrade Private Firms Suspected"]

[Text] In the wake of yesterday's report that two Belgrade firms were in possession for several months, through Belgrade's Investbanka, of $2 million intended for importing oil, BORBA discovered that these were the private enterprises Beo-hum and MPS [expansion unknown] Avtotehna.

Our attempt to obtain a confirmation or denial from these enterprises of the "scandal in sight" did not bear fruit. The directors of these firms, Jovo Dobric and Dusimir Zabunovic, we were told, are on a business trip, and no one except them can talk to the public about this subject.

The situation at Investbanka is similar: general director Stojan Dabic was absent, and his assistants Bogoljub Maksimovic and Zora Labalo are on annual leave, or on a business trip.

The way in which the Financial Police obtained the information about this "transaction" is interesting. Its employees, in fact, were only interested in the tax that was supposed to be (and was not) collected from the purchase and sale of oil. It turned out that the oil had not been purchased, and that is why the tax was never paid, but it remained unclear what the above-mentioned sum in dollars was used for, and who signed the contract on using the $2 million without any restriction on fulfillment of the transaction, and why. The Financial Police employees likewise found material for which they did not have jurisdiction, and so, as we were told by the Serbian government, they sent all the material to the Ministry of Internal Affairs.

New light is cast on the whole case, however, by information obtained at the Road Directorate. In the Financial Police report, it is mentioned as an organization that gave dollars to private individuals (through Investbanka). Miodrag Nedeljkovic, the directorate's assistant director, says that they are absolutely clean in this whole case, since the foreign exchange from tolls is in Investbanka's vault, while the Serbian government decides on its use. The directorate, according to Nedeljkovic, only spends dinars, mostly to repair roads.

The whole case has thus fallen in a heap: the Financial Police, working under the auspices of the republic government, has discovered that that same government deposits state funds quite carelessly. It still remains to be seen who was greased with dollars in this operation of "chasing one's tail."

Effects of Increased Tax Control

93BA0877A Belgrade BORBA in Serbo-Croatian
18 Mar 93 p 7

[Article by T. Jakobi: "A Budget 120 Billion Dinars Fatter"]

[Text] Belgrade—Last week, the republic financial police intensified their monitoring of tax payments in Sabac, Subotica, Kraljevo, Leskovac, and Pec Opstinas, and Savski Venac Opstina in Belgrade. A sizable number of inspectors from various regional centers took part in the operation, and in nine days 1,799 juridical persons and independent businessmen were audited.

It was found in this closer monitoring effort that 51,853,440,967 dinars of turnover tax had not been computed and paid. Other obligations to public revenues which had not been paid amounted to 1,080,344,145 dinars. The value of confiscated goods was 67,919,614,261 dinars. When the goods are sold, the turnover tax will be made on them, and the overall effect on the amount for the budget will be even greater. The total financial result of this audit was 120,853,392,373 dinars.

There were 81 criminal charges filed because of tax evasion, 909 charges of misdemeanors related to self-employment, 119 charges of economic violations, and 116 cases of prohibition of activity. This was most frequently the case in Pec—65, in Savski Venac Opstina—26, and in Leskovac—20.

Inspectors visiting stores in Pec frequently found the doors locked, and the owners left messages that they were on vacation. The financial police therefore put those stores under their seal, and after that the private operators allowed the financial police to audit their business operation.

The financial police are calling to taxpayers' attention that the Law on the Turnover Tax has been amended and that in future if a juridical person does not pay tax, the financial police have the right to attach movable property and real estate.

An amendment has also been made in the Law on Monitoring and Establishing Public Revenues, so that the financial police have the right, should they find goods for which there are no papers, to confiscate the vehicle in which such goods were carried. Such a case has been recorded in Presevo, when the financial police confiscated a tank truck.

Data on 'Brain Drain' of Scientists From FRY

93BA0875B Belgrade POLITIKA in Serbo-Croatian
22 Mar 93 p 7

[Article by Stanko Stojiljkovic: "A Third of Our Scientists in the United States"]

[Text] One out of every three scientists and researchers from the lengthy file of those leaving Serbia has followed the steps of Nikola Tesla in choosing the United States as the most attractive destination to be reached with a one-way ticket. In figures—28 percent.

Nearly one out of three (26.6 percent) is between the ages of 30 and 36, in the prime of their "scientific strength." More than half of those who have left—57.7 percent—decided on this step in the last three years!

The Drama of 1992

Dr. Vladimir Grecic, deputy director of the Institute for International Politics and Business in Belgrade, who heads the program "Our Scientists and Experts Abroad" to meet the needs of the Serbian Ministry for Science and Technology, says that the modest research done so far "indicates that the exodus of specialists is disturbing," especially over the last 10 years or so. Worst of all is that a majority of university students, consistent with the view "I am waiting to graduate and then to emigrate," would like to find employment abroad after they finish their studies!

How disastrous the consequences are of this unique "social epidemic" is confirmed in the words of Petr Kapitsa, the famous Russian physicist and member of the academy: "The science of a large country can be decapitated if 50 of its top scientists leave." Serbia is not a large country.

The Serbian ministry has made plans by 1995 to set up an information system concerning scientists of Serbian-Yugoslav origin who are living abroad (the institutions where they work, programs, scientific research, etc.), with the intention of working with them closely. The first part of this large job, a first for us, has just been completed—scientific and educational institutions have returned questionnaires with figures. What are the first things that have been learned?

Over the period from 1979 to 1992, 586 scientists and researchers left the country: 147 Ph.D.'s, 117 M.A.'s, and 322 with university degrees. The drama has reached its culmination in the last 11 months, during which 124 researchers have left institutes and development units! The "brain drain," informed sources are saying, is taking on the proportions of a plague to society which is spreading out of control.

Ph.D.'s Have Ridden Away

When the number of Ph.D.'s and M.A.'s who have left is compared to the number employed and who have the same titles, they represent 12.7 percent (or 7 percent of all Ph.D.'s)! What would the esteemed Petr Kapitsa say about that? In the institutes which responded to the request to supply data, one out of every six Ph.D.'s and one out of every five M.A.'s have ridden away over the border.

Who is leaving, and why?

All are leaving, but most of all young scientists and researchers in physics, mathematics, electronics, and chemistry—key scientific disciplines. Those seeking a visa for a foreign country most frequently are between the ages of 30 and 36. They are leaving the fatherland in three ways: 31.4 percent are going away for specialized training, 33.2 percent are looking for employment, and 35.4 percent say "something else."

The exodus of those who are highly specialized, and they are the ones most readily accepted in the most advanced countries, is distinguished by two types of factors: "pull" and "push." Some leave because they are attracted by the possibility of advanced training, travel, and advancement in every sense, others because they have no other choice. In recent years, there has been an increase among the emigres of those with higher education, and in a way this is being repeated with the refugees following disintegration of Yugoslavia.

The "American Dream"

We mentioned at the beginning that one out of every three wants to dream the "American Dream" (28 percent), and then come the Canadian dream (13.1), Australian (9), English (7.2), German (5.1), French (4.6), Swiss (4.4), Italian (2.7), and other dreams—24 percent.

Informed sources single out four types of measures to stop or moderate the "brain drain": purchasing equipment and stimulating creativity (preventive), setting limits on the emigration of highly specialized people (restrictive), helping the countries they come from and establishing cooperation (restorative), and compensation of educational costs of the parent states (compensatory). It is clear even to those who are not informed that the first measures would bear the most fruit.

Our informant, Dr. Vladimir Grecic, one of the rare scientists studying the migration of specialists, suggests several conclusions. First, the exodus of scientists has been growing since 1990, and it is continuing; second, a majority of those who have left would like to cooperate with institutes in Serbia; third, in addition to creating the conditions for people to stay and return, more attention should be devoted to establishing close relations with those who have left us, and fourth, what is called migration policy should be conceived for all of Yugoslavia, and that would also include the "brain drain."

The program adopted and supported by the Serbian Ministry for Science and Technology is encouraging as a first step on this long and uncertain journey.

Serbia

Border Traffic With Macedonia Normal Despite Sanctions

LD2604164593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1102 GMT 26 Apr 93

[Text] Pristina, 26 Apr (TANJUG)—Despite the stricter sanctions against the FRY, which came into force this morning, the transit of goods into the former Yugoslav Republic of Macedonia at the Djeneral-Jankovic border crossing has so far been uninterrupted.

Dozens of trucks are lining to go through the normal customs procedure at the border crossing into Macedonia.

According to Zivorad Djorovic, deputy manager of customs in Pristina, the traffic of goods and passengers is normal. He added that no activities indicating a total blockade of our border has been noticed on the other side.

No official information from the Macedonian customs authorities has been received regarding any interruption of traffic, Djorovic said, emphasizing the so far good cooperation with Macedonian customs officials.

Jugoskandik Deposits for Sale at Bargain Prices

93BA0903C Belgrade POLITIKA in Serbo-Croatian 2 Apr 93 p 9

[Article by Lj. Rabrenovic: "Sale of Savings at Half Price"]

[Text] The most recent type of classified ad appeared the other day in the newspaper:

"I am selling at a good price foreign exchange savings in Dafiment Banka, and I am selling foreign exchange savings in Jugoskandik at half price."

As for Jugoskandik, it is obvious that people are attempting in this way to get back at least a part of the money which they deposited, and who knows whether they will ever get it back legally. Thus, one of Jugoskandik's savings depositors, who decided to "try his luck" again through the advertisement says that he first heard that a woman had sold her savings in this way at 50 percent of the face value. How and to whom he did not know, but he still decided on the same step, thus the advertisement.

"Mainly, I have been getting calls from savings depositors who have the same trouble. They are asking whether the advertisement brought results? However, there were also those who offered me 20 to 30 percent of my savings, which I, of course, did not agree to, because I am seeking 50 percent," this anonymous savings depositor said.

It is quite clear why advertisements are appearing in connection with Jugoskandik. However, the question arises why advertisements are being placed to sell foreign exchange savings in Dafiment Banka, where deposits have not come to the "critical point." Probably the reason lies in fear that Dafina might also "go bust," or the advertiser is no longer able to wait patiently for days in line to get his money. There is also a likelihood that the person placing the advertisement has not been able to withdraw his money for some time now, and assumes that this could be done through connections (and that someone will answer the ad). The depositors placing the ads now obviously have only one thing in their minds: the old saying "Better something than nothing."

In Dafiment Banka, however, they say—responsibly they say—that it is not possible to withdraw money in someone else's name. This can be done by a member of the immediate family, but only in a case when that authorization is in the bank, while for all other persons authorization must be obtained from the court.

Perhaps there are certain other "schemes." Who knows?

Progres-Trade To Import Gas From Russia

93BA0909A Belgrade BORBA in Serbo-Croatian 6 Apr 93 p 12

[Article by J. Paripovic: "Private Businessmen 'More Suitable' Than State Firm"]

[Text] *Who changed the importer of gas from Russia, and why.*

One could conclude from the announcement from the last meeting of the federal government that the government was seriously thinking about humanitarian imports of gas from Russia, and that it was initiating a mechanism that would make those imports possible. It will be interesting to see the new announcement that will probably say something about the final results—especially about who will be the importer of 3 billion cubic meters of gas. This is because an interesting battle has been fought "behind the scenes" for a long time now, almost all of last year, over whether the Serbian oil lobby will also continue to be the gas importer, or whether that business, which is also linked to counterdeliveries of goods valued at $250 million, will fall to the private firm Progres-Trade, which, as a stock company and a joint Russian-Serbian firm, is operating as part of the powerful foreign trade enterprise Progres in Belgrade.

The Yugoslav business of importing gas from what was then the USSR began back in 1979, and was entrusted to Novi Sad's NAP [expansion unknown]. The initial shipment of 200 million cubic meters has been increased 15-fold by now, and the whole business has taken place under fairly difficult conditions and not without minor problems, which mostly arose on the route that crossed through Hungary. There were also lawsuits there and problems associated with financing the construction of the technical system for transporting the gas. The lawsuit was originally "worth" about $35 million, and NAP succeeded in having that burden reduced to $21 million, but it was still left with that obligation. Furthermore, with respect to that second part of the business associated with the counterdelivery of goods, NAP, according to testimony from officials at that mega-company but also other relevant factors and participants in that business, performed its task in the best possible way. It took into account the representation of goods from the entire area of Serbia, and so shipments of copper cables from Svetozarevo and Novi Sad, or the consumer products gathered by Centrotekstil in Belgrade, were equally represented in the counterdeliveries. There is no reason not to believe now that NAP would continue to be successful in organizing imports of gas and exports of Serbian goods to Russia, but now that is no longer the question, but rather who will get that business and take the cream of the profit, which is estimated to be somewhere around the sum of $9 million.

Everything indicates that the oil lobby is not that strong, but only in the position that NAP is in now, as well as thanks to certain other actions staged by factors who are well-inclined, but whose influence should not be doubted. As for who and what is the oil lobby's main competitor, everything will be clear if it is known that Progres-Trade is headed by Toplica Nedeljkovic, the former deputy of the Serbian government's minister of energy, M.A. Nikola Sainovic. The firm, as we said, is a joint Russian-Serbian one. On the other side, the Russian side, is Gasproma from Moscow, precisely the firm that has been selling gas to our country for the last two years. It is interesting to know that the initiative for signing the agreement between the FRY Government and the government of the Russian Federation on long-term deliveries of gas came from Progres-Trade, as well as the Serbian republic's Ministry of Mining and Energy. Along with it, the text of an agreement was delivered, which contains a schedule for the delivery of gas that increases from this year's 3,632,000,000 cubic meters to 7 billion in the last contracted year for shipment (2013). The agreement is supported by the federal government's Secretariat for Legislation, the Federal Ministry of Foreign Economic Relations, and the Federal Ministry of Finance, with general comments upon the offered text. At one time the federal government's Secretariat was of the opinion that it was necessary to designate the importer of the gas from Russia, in response to which the Serbian republic's Ministry of Mining and Energy sent a notification that on the Yugoslav side, the importer of natural gas shipments for humanitarian assistance would be Progres-Trading. It is worth seeing what the fate of this proposal will be and who the federal government will "side with." At first glance, however, it is a bit unusual that no support is being given by a branch for the protection of "national interests," as the Serbian government was declared to be that was headed by Dr. Bozovic and in which Sainovic was a government minister, to a state mega-company like NIS, of which the former exporter, Novi Sad's NAP, is a part. It is even stranger that the NIS head office is keeping silent. One can understand that NAP's "hands are tied" for the simple reason that by entering NIS it lost its status as a legal person. Really, it would be frivolous to believe in all of this that the dilemma was resolved by Toplica Nedeljkovic, who stated recently in one weekly that "the Russians have more confidence in a private firm, and less in a state firm," in this big transaction of imports of gas and counterdeliveries of goods from Serbia.

Of course, one should not surrender to the general psychosis in which one suspects everything and everyone, and in which causes are sought behind every step in the corruption and "shady actions" of even the highest officials—in a word, "shady acts" that are committed hand in hand by the authorities and the mafia, enriching themselves overnight. Nevertheless, people at the interested party in Novi Sad—NAP—which is watching helplessly as its big business is slipping out of its hands, without any blame to be seen for its having handled it poorly in the past, along with the issue of whether that 20-odd million dollars from the dispute with the Hungarians will still remain on its "back," are suspiciously shaking their heads. Well-informed people say that they are doing so with reason, but at the same time they are wondering why that company's leadership (admittedly, with its hands tied) is not going public with its suspicions and the reasons for the suspicions. We did not succeed in checking with officials the statements which, without that confirmation, are classified as "corridor" ones, or ones that "can be heard in the hallways," that it was precisely the position of former Serbian Prime Minister Dr. Bozovic that that business belonged to Progres-Trade, and that it was in that direction that pressure was put on the director of Novi Sad's NAP, as well as Belgrade's NIS Energogas, the other state partner in the whole business, "not to argue about anything in the press" until "everyone was together" with Dr. Bozovic. If this is true, then it is clear that even the morally pure defenders of "national interests" have been overcome by private interests.

Experts on Prospects of Private Banks

*93BA0895D Belgrade BORBA in Serbo-Croatian
25 Mar 93 p 18*

[Article by T. Jakobi: "'Dafiment' Will Get a Government Parachute"]

[Text] Parallel to the flight of Master Jezda, the black market in foreign currencies has fallen into lethargy. The entire business of scalping foreign currencies has suddenly disappeared, the bank rate is on a par with the street rate, and the credit unions and currency exchange offices are about to be killed off. In banking circles, the story is going from hand to hand ever more loudly that the bell has tolled for Dafiment. Supposedly, the "big bang" is to be expected in coming weeks. Dafiment Banka lived off scalping currencies to a great extent, and for it this is the end, BORBA was told by one banker.

"Sooner or later it would have gone to ruin anyhow," bankers comment. "While the bank was small, it was relatively easy to turn around 100,000, or even a 1 million German marks [DM], three times a day. That simply cannot be done with DM5 billion—that is too much idle capital."

Savings depositors, even until yesterday very much inclined toward Dafina, judging by the polls, are getting angrier and angrier. Although the owner of Dafiment Banka has several times had an opportunity on television to assure her customers of excellent financial health, it seems that distrust is growing more and more. Probably, then, the most recent rise in interest rates on foreign exchange is meant to assure savings depositors that all is still not lost.

"I believe that the drop in interest rates is the first sign of bankruptcy of Dafiment Banka. The inflow of new savings has dropped off, the new lower rates of interest are supposed to cut down on the outflow of money and the entire system is supposed to reach equilibrium at a lower level, but that cannot last long," says Bojan Dimitrijevic, assistant professor in the School of Economics at Belgrade University. "I nevertheless believe that Dafiment Banka might survive even to the end of this year with a fine adjustment of the system. If it had fallen immediately after Jezda, that would have been a terrible social shock, and I do not believe that the government would have allowed it. In short, Jezda was thrown out of the plane, but Dafina will be dropped by parachute. I am almost convinced that the outcome will nevertheless be the same when it is all over: Dafina's spectacular flight and a large number of savings depositors who will never be able to get their principal back."

"Private banks of that kind are not real banks at all, but rather some kind of funds for collecting money which is then placed in speculative commercial transactions. That is why Master Jezda's collapse is no surprise. As for Dafiment, the facts should nevertheless be pointed out that from the outset this bank had very large investments in the economy of Serbia, especially concerning the railroad," says Dr. Radovan Kovacevic of the Foreign Trade Institute. "Nevertheless, the high interest rates cannot come from that source, and, judging by the press, Dafina has already fallen into difficulties, she has been borrowing money on the money market, and then it seems there was a direct intervention from primary note issue. From that, we can conclude that the government and other saviors will jump in and intervene in the future when Dafina has dinar and foreign exchange difficulties, because it is not in their interest for such a system to collapse."

Although with the collapse of Jugoskandik Dafiment Banka remained for all practical purposes a monopoly bank, it seems that that circumstance will not bring it much luck in its future business.

"No bank can become a monopolist, not even Dafiment, unless, of course, it has help from outside," says Dragoljub Vukosavljevic, president of the Union Bank. "Dafina could hold a monopoly only on the level of interest rates, but I would rather refer to that as high risk, not a good circumstance in the business operation of a bank. As a banker, I have always advocated a moderate policy, and that means that the difference between borrowing and lending rates of interest must not be large. I advise all savings depositors not to chase the highest rates of interest, but to make a commitment to stable banks that are investing in production."

"Dafiment (if it turns out to be true that it is also beginning to take over currency exchanges) could become a monopolist in setting the exchange rate of foreign currencies. I do not believe that that could have the effect of calming down the exchange rate; on the contrary, this might be a potential detonator for destroying the dinar," Dr. Kovacevic believes.

Judging by the reactions of business people and economists, it seems that even Dafina's statement "that it is no longer possible to live off interest and that investment must be made in production" has not met with a particularly good reception. According to Dimitrijevic, "a large part of the capital which savings depositors entrusted to Dafiment has already been spent on war expenditures. Those statements that she will invest in agriculture and provide loans to production seem to me more like eyewash."

Asked whether he would undertake new projects "escorted" by Dafiment Banka, Rajko Uncanin, general director of Grmec, gave this answer: "I rely on tried-and-true banks with a tradition and many years of experience. I would not apply for a loan from either Dafina or Jezda, because I think that what sprang up quickly will also be incomplete. It is hard to imagine a system growing so much in just a year. If at some point it is shown that banks like that conduct their business soundly, I would not preclude cooperation, but for now my answer is—no."

Number of Trains Reduced Due to Shortages

93BA0877B Belgrade BORBA in Serbo-Croatian 18 Mar 93 p 8

[Unattributed article: "118 Trains Temporarily Suspended"]

[Text] Belgrade—Because of the shortage of diesel fuel, locomotives, and spare parts for motor trains, the Belgrade ZTP [Railroad Transportation Company] was compelled on 13 March of this year to cut back passenger transportation temporarily, they have announced in the ZTP.

The action involves suspension of 118 trains, 58 of them because of the shortage of diesel fuel, and 60 because spare parts are lacking to maintain motor trains.

On the Novi Sad-Odzaci-Bogojevo-Sombor line, for example, four trains will be suspended on the new schedule, and then one on the Novi Sad-Vrbas-Subotica line and 10 on the Novi Sad-Vrbas-Sombor line.

Temporary suspensions will also affect two trains in both directions between Subotica and Bogojevo via Sombor and another two between Bogojevo and Sarvas. On the Subotica-Senta-Banatsko Milosevo-Kikinda line, three trains are being dropped, and another two between Subotica and Segedin.

On the Vrsac-Bela Crkva line, four trains are being suspended, and two freight trains are being eliminated between Vrsac and the main station in Pancevo.

The new temporary schedule also calls for a reduction in rail transportation on these lines: Novi Sad-Becej, and then Zemun-Mladenovac-Zemun, and Resnik-Batajnica-Resnik and Belgrade-Prijepolje (freight)-Belgrade. Certain local trains will also be eliminated on Saturdays, Sundays, and holidays.

Macedonia

Traffic Virtually Stopped at Border With Greece

LD2604181993 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 26 Apr 93

[Report by Marija Damjanovska from Skopje]

[Text] Since 0600 [0400 GMT] when the additional, stricter sanctions against the Federal Republc of Yugoslavia took effect, the traffic at the Serbian-Macedonian border has stopped, we learned from Macedonian customs officials. Traffic at the Macedonian-Greek border has been drastically reduced since citizens of Serbia do not travel to Greece any more. Only about 10 Macedonian and Greek vehicles have crossed the border. Due to the introduction of the latest sanctions against the Federal Republic of Yugoslavia, which will also directly affect Macedonia, representatives of the Ministry of Transport met at the Chamber of Economy today. It was decided that a coordination body be formed in an attempt to find an alternative corridor for the transport of commodities. A way out is being sought in opening [as received] the sea ports of Thesaloniki and Patras in Greece and in an increased use of Durres in Albania, from where commodities would be ferried to Croatia, Slovenia, Italy, and further into Europe. It was also proposed that the Macedonian Government request that road tolls and taxes for Macedonian transporters in Italy, Romania, Greece, and Albania be abolished or reduced. Applying for a UN permit for transport to Bulgaria through Greece or through Nis was proposed for commodities transportable only by rail.

Vojvodina

Results of Tax Control of Firms in Vojvodina

93BA0877C Belgrade BORBA in Serbo-Croatian 18 Mar 93 p 6

[Article by B. Lazukic: "Gasoline From Obrovac Stored in Novi Sad"]

[Text] Novi Sad—"An examination of tax-evasion cases over the last month in Vojvodina has led us to the conclusion that these are not cases of beginners at crime, but of a very well-organized system whose tentacles extend to Macedonia. In 10 or so part-days, our inspectors have during the last month established evasion amounting to 27,627 million dinars."

This was announced in a news conference yesterday in Novi Sad by Ljiljana Jovanovic, who heads the Vojvodina financial police. She particularly emphasized on that occasion that as part of the general "fight against crime" about 100 inspectors from that department conducted an inspection in Subotica, one of five cities in Serbia where there was a followup on the enforcement of public statutes in the field of tax payment.

Yesterday's news conference particularly highlighted certain firms found to have committed irregularities in conduct of their business. Jugoeksport-Import of Novi Sad owes turnover tax amounting to about 2,023 million dinars when the penalty interest is included. The commercial firm Kelvin was in possession of 580,960 liters of petroleum and 100,000 liters of gasoline, the property of the private firm Alan of Obrovac, which it was storing under contract. Aside from the fact that the site had not been previously approved for the storage of petroleum products by a technical inspection, it was found that it had conveyed (sold) 155,960 liters of petroleum and 22,000 liters of gasoline, which amounts to about 429 million dinars of tax not declared. The commercial firm Impuls of Novi Sad failed to pay tax on petroleum products it had sold in the amount of about 160 million dinars. It was found that the private firm Noma of Novi Sad had failed to compute a tax of 168 million dinars on goods it had sold and another 219 million on diesel fuel. The agricultural cooperative Petrovaradin should have paid 3 million dinars in tax on goods it had sold at wholesale as well as 2 million in interest on borrowed funds, while 12 million dinars of debt derived from the sale of diesel fuel. The main branch of Vojvodjanska Banka [Bank of Vojvodina] in Zrenjanin was "short" 162 million dinars of tax on the basis of interest, while that same bank's branch in Kikinda owes 23 million, along with another 32 million on advances for February. The main branch of Vojvodjanska Banka DD [joint-stock company] in Novi Sad and the office in Becej owe 108 million dinars of unpaid tax.

A detailed audit of the business operation of firms in Subotica (mainly private ones) yielded the following results: Goods worth 1,792 million dinars were confiscated under a decision from the private firm Migrad (these were building materials and fertilizer); the private firm Agropromet of Pikovo owes 38 million dinars on goods to which it applied a preferential tax rate in a transaction for which it does not have the appropriate documentation and 12 million for jet fuel. In Pikovo, 120,434 liters of alcoholic beverages were confiscated from the private firm Prezident, because it did not have the necessary papers on its purchases and sales; the private firm Lukas of Subotica was late in payment of 21 million dinars of tax, and a shortage of 20,284 liters of pure alcohol was discovered, and the turnover tax was counted on that; the export-import firm Norcijan of Hajdukovo failed to pay 50 million dinars in tax on sales of ethanol, and 815 liters of ethanol were confiscated from it because it did not have the necessary papers; tax and interest in the amount of 65 million dinars were charged to the representative office of Irodint in Bijelo Polje, and it was found that a sizable portion of the undeclared sales had been conducted through Montenegro; a shortage of 11,000 light bulbs was found in the private firm Taliks, which amounted to 130 million dinars in tax; the Aleksandar I gambling casino in the Hotel Patria owes 30 million in turnover tax, 76 million in tax not paid on personal earnings, and 106 million on corporate profit; the independent store Lobo-sop had a shortage of 410 liters of ethanol, representing 1.2 million dinars of tax, and also a shortage of 1,100 liters of cognac, representing 25 million dinars of tax; 949 packages of cigarettes worth 11 million dinars were confiscated from the independent store Tain, and 2,568 cans of beer were confiscated from the private firm Klasik because it did not have the necessary papers, and this represented 5.5 million dinars in turnover tax.